

Omnibus Appropriations Act - Agency Detail

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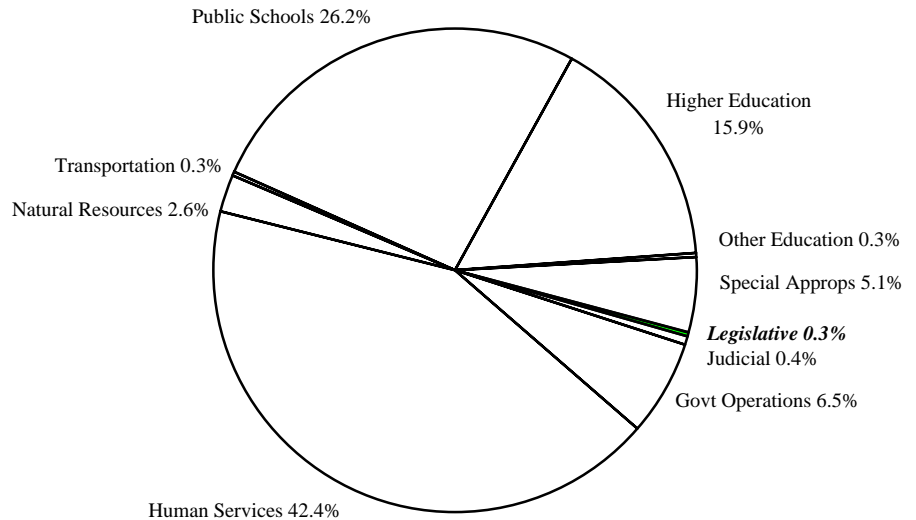
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Legislative

Appropriations for legislative agencies did not authorize any ongoing program enhancements.

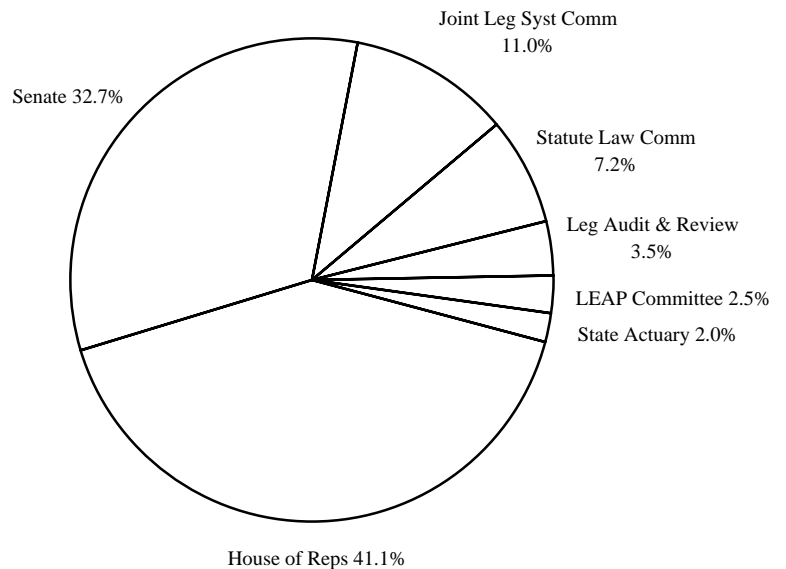
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Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
Statewide Total	51,288,737



Washington State

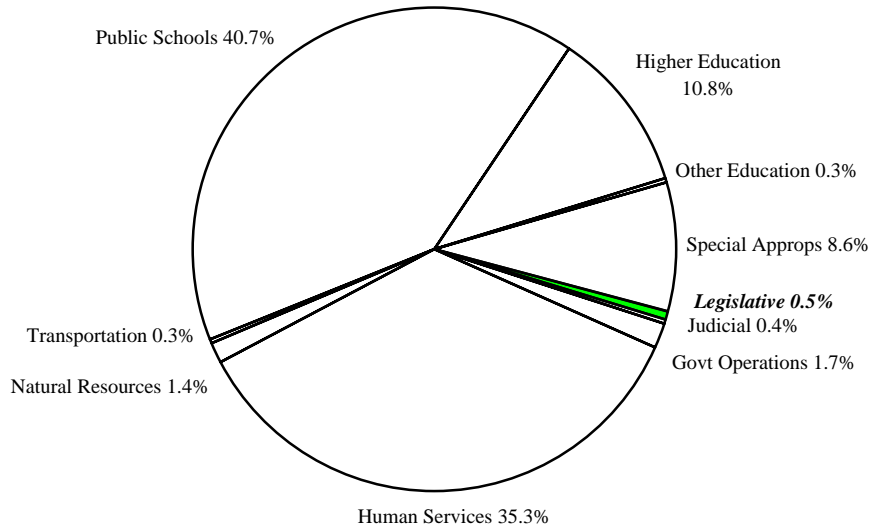
House of Representatives	61,362
Senate	48,773
Jt Leg Systems Comm	16,413
Statute Law Committee	10,810
Jt Leg Audit & Rev Comm	5,224
LEAP Committee	3,671
State Actuary	3,022
Legislative	149,275



Legislative

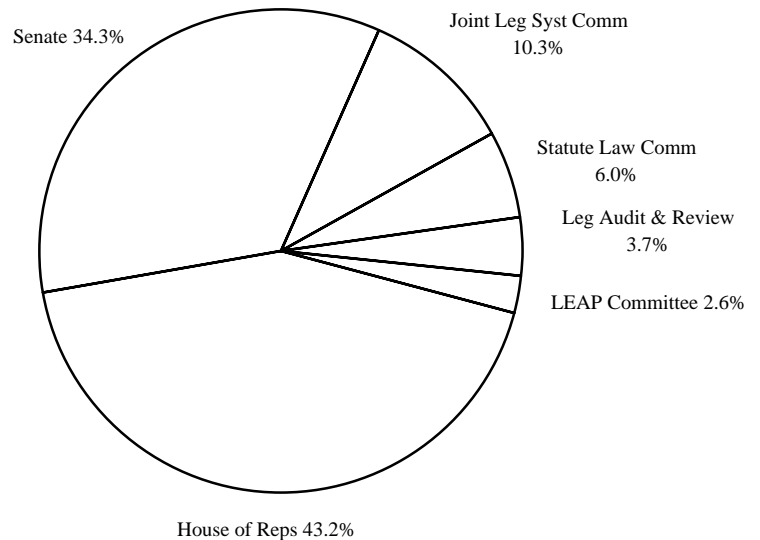
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

<i>Legislative</i>	<i>141,772</i>
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

House of Representatives	61,195
Senate	48,648
Jt Leg Systems Comm	14,540
Statute Law Committee	8,513
Jt Leg Audit & Rev Comm	5,215
LEAP Committee	3,661
<i>Legislative</i>	<i>141,772</i>



Legislative

House of Representatives

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	61,161	0	61,161
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	167	167
2. Central Service Agency Charges	34	0	34
3. Children's Services Task Force	<u>0</u>	<u>0</u>	<u>0</u>
Total Policy Changes	34	167	201
2005-07 Revised Appropriations	61,195	167	61,362
Fiscal Year 2006 Total	30,244	0	30,244
Fiscal Year 2007 Total	<u>30,951</u>	<u>167</u>	<u>31,118</u>

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Children's Services Task Force** - Chapter 251, Laws of 2006 (ESB 6741), continues the Joint Task Force on the Administration of Services to Children and Families created in Chapter 474, Laws of 2005 (ESSB 5872). A portion of the funding provided in the enacted 2005-07 biennium budget is transferred from FY 2006 to FY 2007.

Senate

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	48,621	0	48,621
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	125	125
2. Central Service Agency Charges	27	0	27
3. Children's Services Task Force	0	0	0
Total Policy Changes	27	125	152
2005-07 Revised Appropriations	48,648	125	48,773
Fiscal Year 2006 Total	23,236	0	23,236
Fiscal Year 2007 Total	25,412	125	25,537

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
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Joint Legislative Audit & Review Committee

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	4,484	0	4,484
Total Maintenance Changes	0	0	0
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	9	9
2. Central Service Agency Charges	2	0	2
3. Devel. Disab. Services Study	100	0	100
4. Health Professions	14	0	14
5. Tax Preferences	375	0	375
6. Initiative 900 (Performance Audits)	190	0	190
7. Business Incubator Study	50	0	50
Total Policy Changes	731	9	740
2005-07 Revised Appropriations	5,215	9	5,224
Fiscal Year 2006 Total	2,294	0	2,294
Fiscal Year 2007 Total	2,921	9	2,930

Comments:

- Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- Devel. Disab. Services Study** - Funding is provided to conduct a review of the Department of Social and Health Services Division of Developmental Disabilities. The review will focus on how the Division prioritizes and allocates services to clients, including efforts the Division has made to improve assessment and case management practices related to the Joint Legislative Audit and Review Committee (JLARC) Report 03-06 (Performance Audit of the Division of Developmental Disabilities) and a review of best practices in other states. JLARC shall report to the Legislature by January 1, 2007.
- Health Professions** - Funding is provided for a review of staffing levels for the Department of Health investigators and attorneys involved in the health professions disciplinary process, as required by Chapter 99, Laws of 2006 (SHB 2974). A report is due to the Legislature by December 1, 2010.
- Tax Preferences** - Funding is provided for the review of tax preferences and staffing the Citizen Commission for Performance Measurement of Tax Preferences as required by Chapter 197, Laws of 2006 (EHB 1069).
- Initiative 900 (Performance Audits)** - Pursuant to Chapter 1, Laws of 2006 (Initiative 900 - Performance Audits), funding is provided for JLARC to conduct public hearings to consider the findings of the performance audits conducted by the State Auditor and to report on the status of legislative implementation of audit recommendations.
- Business Incubator Study** - Funding is provided for a review of the state's policy on proposals for state funding and tax preferences for business incubators. The review shall examine and make recommendations on whether the proposals create a public or private benefit and the impact of state-supported business incubators on existing businesses in the state. The review shall be completed and submitted to the appropriate committees of the Legislature by June 30, 2007.

Legislative Evaluation & Accountability Program

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,658	0	3,658
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	10	10
2. Central Service Agency Charges	3	0	3
Total Policy Changes	3	10	13
2005-07 Revised Appropriations	3,661	10	3,671
Fiscal Year 2006 Total	1,737	0	1,737
Fiscal Year 2007 Total	1,924	10	1,934

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Legislative Evaluation & Accountability Program's budget is shown in the Transportation Budget Section of this document.

Joint Legislative Systems Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	14,536	1,844	16,380
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	28	28
2. Central Service Agency Charges	<u>4</u>	<u>1</u>	<u>5</u>
Total Policy Changes	4	29	33
2005-07 Revised Appropriations	14,540	1,873	16,413
Fiscal Year 2006 Total	7,288	907	8,195
Fiscal Year 2007 Total	<u>7,252</u>	<u>966</u>	<u>8,218</u>

Comments:

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Statute Law Committee

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	8,510	2,276	10,786
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	20	20
2. Central Service Agency Charges	<u>3</u>	<u>1</u>	<u>4</u>
Total Policy Changes	3	21	24
2005-07 Revised Appropriations	8,513	2,297	10,810
Fiscal Year 2006 Total	4,112	751	4,863
Fiscal Year 2007 Total	4,401	1,546	5,947

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
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Office of the State Actuary

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	3,013	3,013
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	7	7
2. Central Service Agency Charges	0	2	2
Total Policy Changes	0	9	9
2005-07 Revised Appropriations	0	3,022	3,022
Fiscal Year 2006 Total	0	1,534	1,534
Fiscal Year 2007 Total	0	1,488	1,488

Comments:

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Judicial

Office of the Administrator for the Courts

A total of \$0.6 million in funding is provided for a pilot project, and accompanying research study, to assess the impact of juror pay on juror response rates and the demographic composition of the jury pool.

Office of Public Defense

An additional \$4.5 million is provided for indigent parent representation in dependency and termination cases. Last year, the program received funding to provide assistance to 30 percent of counties in Washington.

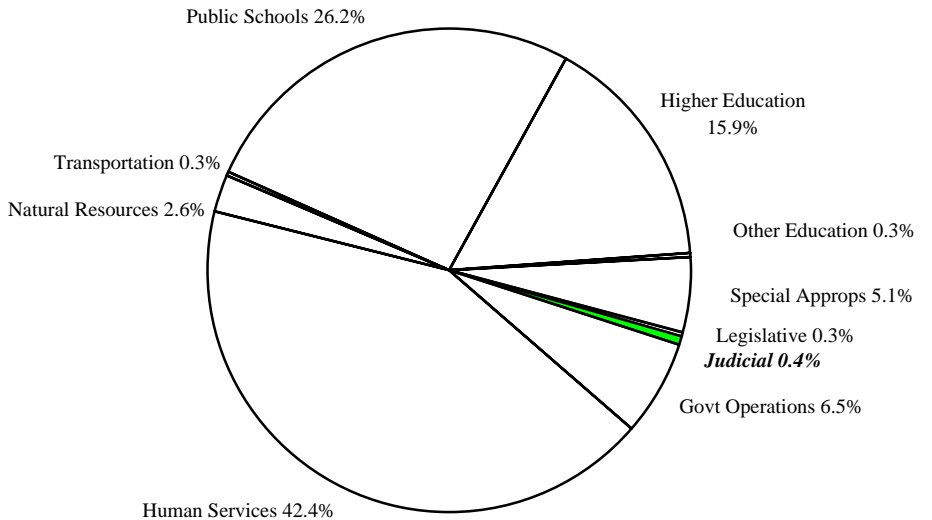
A total of \$3.0 million is provided to improve criminal indigent defense services at the trial level. Additionally, \$0.4 million is provided for public defender training through the Washington Defender Association.

Office of Civil Legal Aid

A total of \$0.6 million in ongoing funding is provided to mitigate the loss of federal dollars targeted to meet emergency civil legal needs of low-income victims of domestic violence.

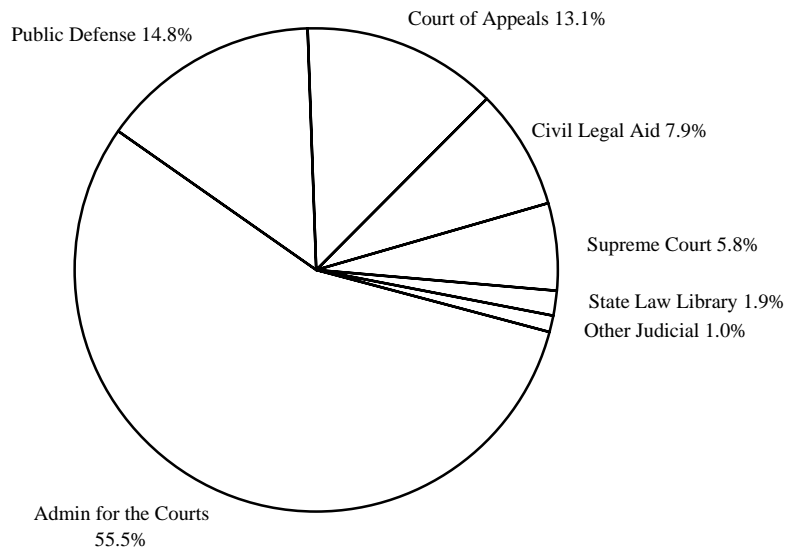
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Washington State

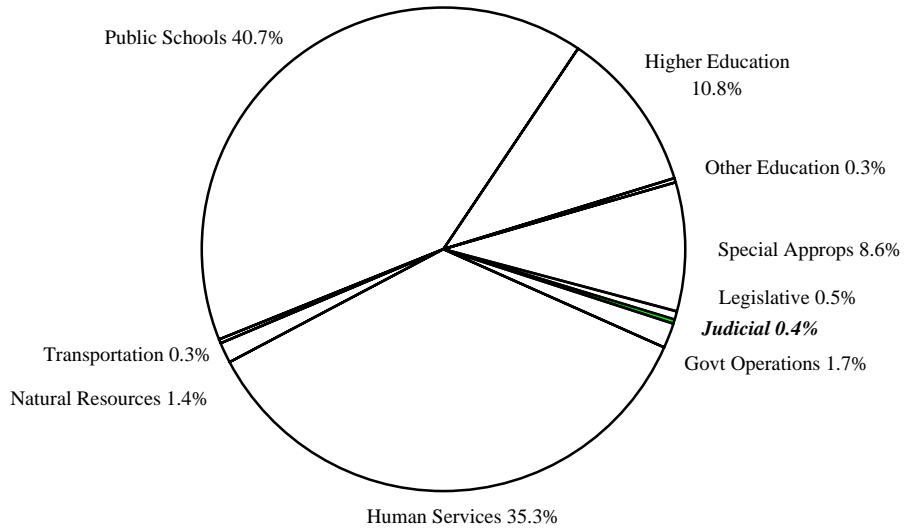
Admin for the Courts	119,956
Office of Public Defense	31,974
Court of Appeals	28,389
Civil Legal Aid	17,007
Supreme Court	12,529
State Law Library	4,042
Other Judicial	2,169
Judicial	216,066



Judicial

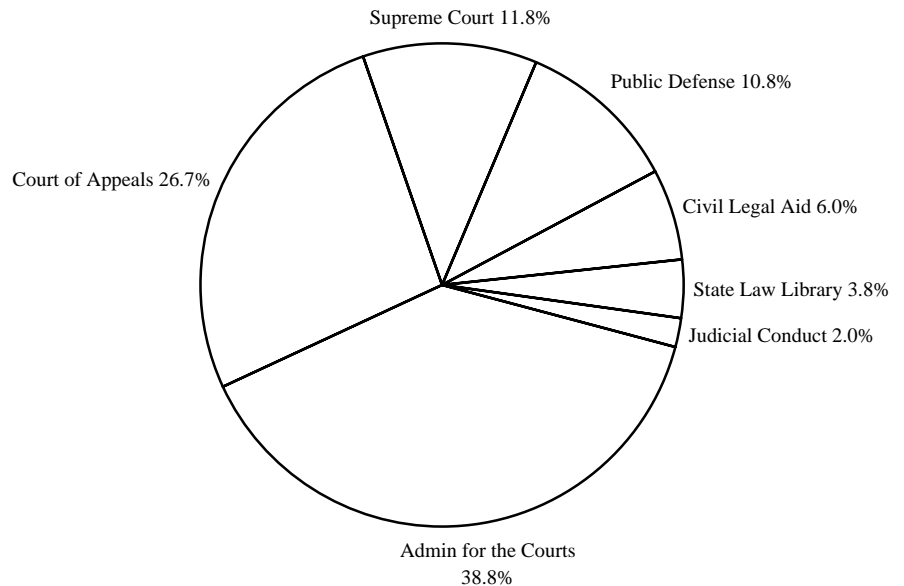
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Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

Admin for the Courts	41,132
Court of Appeals	28,309
Supreme Court	12,492
Office of Public Defense	11,493
Civil Legal Aid	6,315
State Law Library	4,037
Judicial Conduct Comm	2,164
Judicial	105,942



Judicial

Supreme Court

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	12,431	0	12,431
Total Maintenance Changes	16	0	16
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	37	37
2. Central Service Agency Charges	8	0	8
3. Additional Staff	37	0	37
Total Policy Changes	45	37	82
2005-07 Revised Appropriations	12,492	37	12,529
Fiscal Year 2006 Total	6,095	0	6,095
Fiscal Year 2007 Total	6,397	37	6,434

Comments:

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- 3. Additional Staff** - Funding is provided for a new editorial assistant at half-time for the Office of Reporter Decisions to assist with the editing process for Supreme Court and Court of Appeals opinions.

Commission on Judicial Conduct

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	2,162	0	2,162
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	5	5
2. Central Service Agency Charges	2	0	2
Total Policy Changes	2	5	7
2005-07 Revised Appropriations	2,164	5	2,169
Fiscal Year 2006 Total	1,055	0	1,055
Fiscal Year 2007 Total	1,109	5	1,114

Comments:

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State Law Library

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	4,031	0	4,031
Total Maintenance Changes	4	0	4
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	5	5
2. Central Service Agency Charges	<u>2</u>	<u>0</u>	<u>2</u>
Total Policy Changes	2	5	7
<hr/>			
2005-07 Revised Appropriations	4,037	5	4,042
Fiscal Year 2006 Total	2,013	0	2,013
Fiscal Year 2007 Total	2,024	5	2,029

Comments:

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Court of Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	28,224	0	28,224
Total Maintenance Changes	68	0	68
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	80	80
2. Central Service Agency Charges	<u>17</u>	<u>0</u>	<u>17</u>
Total Policy Changes	17	80	97
<hr/>			
2005-07 Revised Appropriations	28,309	80	28,389
Fiscal Year 2006 Total	13,916	0	13,916
Fiscal Year 2007 Total	<u>14,393</u>	<u>80</u>	<u>14,473</u>

Comments:

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Office of the Administrator for the Courts

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	39,738	78,147	117,885
Total Maintenance Changes	596	440	1,036
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	200	200
2. Central Service Agency Charges	16	37	53
3. Judicial Voter's Pamphlet	30	0	30
4. Legal Financial Obligation	183	0	183
5. Juror Pay and Research Project	569	0	569
Total Policy Changes	798	237	1,035
2005-07 Revised Appropriations	41,132	78,824	119,956
Fiscal Year 2006 Total	19,834	39,311	59,145
Fiscal Year 2007 Total	21,298	39,513	60,811

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 3. Judicial Voter's Pamphlet** - Funding is provided to to translate the primary judicial voter's pamphlet into Spanish.
- 4. Legal Financial Obligation** - Funding is provided for county clerks to process legal financial obligations (LFOs) originating prior to 1998. Currently, the county clerks only process LFOs originating on or after 1998.
- 5. Juror Pay and Research Project** - Funding is provided for a pilot project, and accompanying research study, to assess the impact of juror pay on both juror response rates and the demographic composition of the jury pool.

Office of Public Defense

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,568	20,475	24,043
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	3	3
2. Central Service Agency Charges	0	3	3
3. Dependency and Termination	4,500	0	4,500
4. Public Defense Quality Standards	3,000	0	3,000
5. Washington Defender Association	425	0	425
Total Policy Changes	7,925	6	7,931
2005-07 Revised Appropriations	11,493	20,481	31,974
Fiscal Year 2006 Total	1,565	10,429	11,994
Fiscal Year 2007 Total	9,928	10,052	19,980

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 3. Dependency and Termination** - Funding is increased for indigent parent representation in dependency and termination cases. Last year, the program received funding to provide assistance to 30 percent of counties in Washington.
- 4. Public Defense Quality Standards** - Funding is provided to improve criminal indigent defense services at the trial level.
- 5. Washington Defender Association** - Funding is provided for public defender training provided by the Washington Defender Association.

Office of Civil Legal Aid

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	5,715	10,692	16,407
Policy Changes			
1. Civil Legal Aid	600	0	600
Total Policy Changes	600	0	600
2005-07 Revised Appropriations	6,315	10,692	17,007
Fiscal Year 2006 Total	3,083	5,321	8,404
Fiscal Year 2007 Total	3,232	5,371	8,603

Comments:

1. **Civil Legal Aid** - Ongoing funding is provided to the Office of Civil Legal Aid to mitigate the loss of federal dollars targeted to meet emergency civil legal needs of low-income victims of domestic violence.

Governmental Operations

Office of the Governor

A total of \$4.0 million from the Economic Development Strategic Reserve Account is provided to the Governor, upon recommendation of the Director of the Department of Community, Trade, and Economic Development and the Economic Development Commission, to recruit businesses, support public infrastructure, and provide technical assistance to prevent business closure or relocation outside the state. The funding is provided to implement Chapter 427, Laws of 2005 (2SSB 5370).

Secretary of State

A total of \$6.0 million is provided under the federal Help America Vote Act to complete the statewide voter registration database.

Department of Community, Trade, and Economic Development

Federal Backfill

Funding is provided to mitigate a decrease or loss of federal funding, as follows:

- \$2.5 million to allow tribes to participate in forest and fish management practices as they relate to the Forests and Fish Report compiled by the federal government and the state.
- \$1.6 million for multi-jurisdictional drug task forces.
- \$1.0 million to Community Action Agencies to address the causes and effects of poverty.
- \$0.5 million for domestic violence legal advocacy.
- \$0.2 million to assist the Benton-Franklin Juvenile Drug Court in continuing its programming. The counties will provide an equivalent match to the state general fund appropriation.
- \$0.4 million to the Weed and Seed Program to mitigate a one-year funding lapse by the Department of Justice. The program assists communities in addressing violent crime, gang activity, and drug trafficking.
- \$0.2 million to assist the Safe and Drug-Free Schools and Communities Program.
- \$160,000 to the Drinking Water State Revolving Fund program to cover administrative costs.

Community Assistance and Support

A total of \$2.0 million in funding is provided for sexual assault victim advocates' programs, to include services such as a 24-hour hotline, crisis intervention advocates, legal, medical, and general advocacy.

Economic Development

- A total of \$7.0 million is provided to minor league baseball stadiums for restoration and repair of the following facilities: the Tacoma Rainiers (\$2.5 million); the Spokane Indians (\$2.0 million); the Tri-Cities Dust Devils (\$1.0 million); the Yakima Bears (\$0.8 million); and the Everett AquaSox (\$0.8 million).
- A total of \$1.6 million in funding is provided for lease costs associated with the Employment Resource Center required by the Master Site Agreement negotiated in 2003 between Boeing and other public entities as part of the statewide aerospace industry strategy.

Cultural/Recreational Activities

The following funding is provided to increase cultural opportunities and boost tourism in Washington State:

- Dead Sea Scrolls – \$250,000 to assist with the exhibition at the Pacific Science Center in September 2006.
- United States Figure Skating Championships – \$100,000 for marketing to bring the 2007 event to Spokane, with additional funding to be provided if Spokane is chosen as the designated host.

- Korean Cultural Festival – \$25,000 for the second annual Northwest Korean Sports and Cultural Festival to be held in Federal Way.
- International Music Festival – \$5,000 to assist with the festival in Tacoma.
- 2010 Olympic Games – \$300,000 to coordinate efforts geared towards the 2010 Olympics with the regional effort being conducted by the Pacific Northwest Economic Region, a statutory committee.
- \$1.5 million is provided for the Department to enter into funding agreements with the Mountains to Sound Greenway Trust to improve recreation facilities and access to hiking trails.
- \$0.5 million is provided for an upgrade to the Daybreak Star Cultural Center's electrical system in Seattle's Discovery Park.
- \$250,000 is provided to the City of Poulsbo for the reopening of the Poulsbo Marine Science Center as an educational facility on the Puget Sound marine environment.

Department of Personnel

A total of \$7.4 million is provided to cover the costs associated with delays in the development of the new Human Resource Management System (HRMS). The HRMS project was delayed by four months as staff resources were diverted to make modifications to the existing PAY1 payroll system. The budget also provides an additional \$6.4 million to cover HRMS development cost increases resulting from the signing by the Department and its vendors of a new contract with project scope and schedule revisions.

Department of Information Services

A total of \$1.5 million is provided to support the operations of the Digital Learning Commons (DLC). By September 1, 2006, DLC shall develop a plan to become a self-supporting organization by September 1, 2008.

Office of the Insurance Commissioner

A total of \$0.7 million in new funding is provided to establish an Anti-fraud Unit within the Office of the Insurance Commissioner to combat the increasing incidence of organized insurance fraud.

Military Department

A total of \$46.0 million in federal funding is allocated for homeland security purposes to be distributed to local jurisdictions and state agencies for exercises, equipment, training, and response.

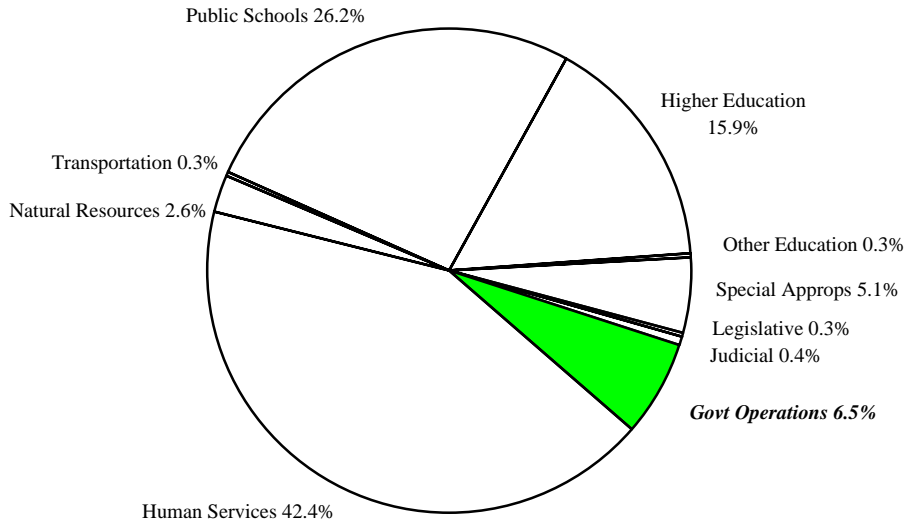
A total of \$2.0 million in funding is provided to enhance emergency management in Washington State of which \$1.6 million is provided for competitive grants to regional agencies, local governments, tribal governments, regional incident management teams, and private organizations. The grants shall be distributed on a competitive basis and awarded for one or more of the following purposes: development and coordination of emergency management plans; training of elected and appointed officials on disaster response; administration of joint emergency management exercises; and implementation of projects to strengthen emergency response, mitigation, preparation, and coordination. The remaining \$0.4 million is provided to the Department to administer the competitive grant and for implementation of activities to strengthen emergency response. Additionally, the Military Department will study the feasibility of having disaster medical assistance teams and urban search and rescue teams available within the state to be deployed by the Governor and will report the findings and recommendations to the Legislature by December 1, 2006.

A total of \$2.5 million is provided for the Emergency Management Division to contract with the Washington Information Network 2-1-1 in fiscal year 2007 for operation of a 2-1-1 statewide system. The 2-1-1 system is designed to be a centralized contact point residents can use for referral to a variety of local and state health and social services.

A total of \$1.0 million in funding is provided for the purchase and installation of at least twenty "All Hazard Alert Broadcast" radios along Washington's coast.

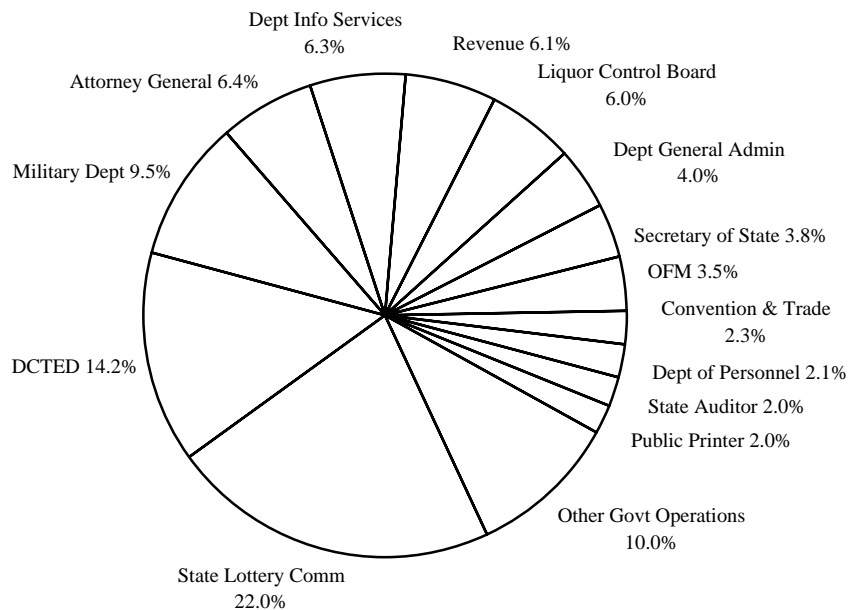
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
<i>Governmental Operations</i>	<i>3,348,551</i>
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
Statewide Total	51,288,737



Washington State

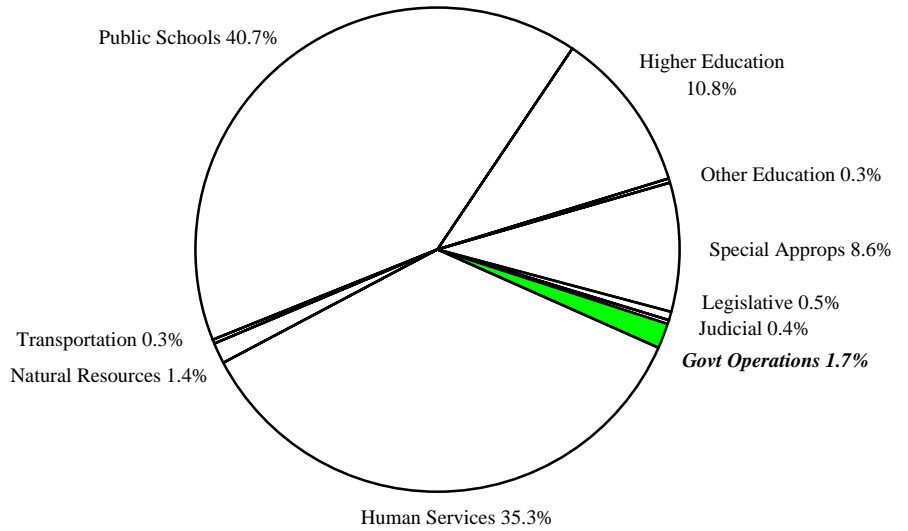
Lottery Commission	735,317
Comm/Trade/Econ Dev	476,144
Military Department	316,614
Attorney General	213,308
Dept Information Services	212,170
Revenue	203,367
Liquor Control Board	199,488
Dept General Administration	133,682
Secretary of State	128,242
OFM	116,657
Convention & Trade Center	77,003
Dept of Personnel	68,850
State Auditor	66,243
Public Printer	65,830
Other Govt Operations	335,636
<i>Governmental Operations</i>	<i>3,348,551</i>



Governmental Operations

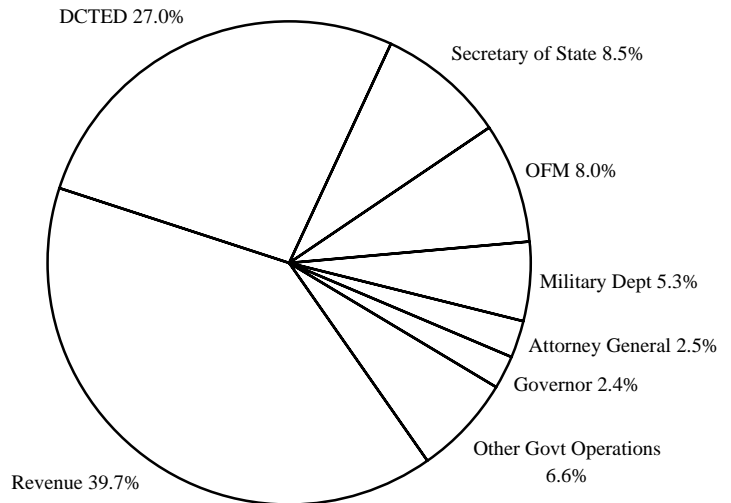
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
<i>Governmental Operations</i>	<i>471,118</i>
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

Revenue	186,949
Comm/Trade/Econ Dev	127,367
Secretary of State	40,066
OFM	37,855
Military Department	25,174
Attorney General	11,568
Office of the Governor	11,183
Other Govt Operations	30,956
<i>Governmental Operations</i>	<i>471,118</i>



Governmental Operations

Office of the Governor

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	10,879	6,056	16,935
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	35	35
2. Central Service Agency Charges	7	0	7
3. Governor's Salmon Recovery Office	0	160	160
4. Econ Development Strategic Reserve	0	4,000	4,000
5. Hood Canal Study	297	0	297
Total Policy Changes	304	4,195	4,499
2005-07 Revised Appropriations	11,183	10,251	21,434
Fiscal Year 2006 Total	5,600	3,169	8,769
Fiscal Year 2007 Total	5,583	7,082	12,665

Comments:

- Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- Governor's Salmon Recovery Office** - The Governor's Salmon Recovery Office is continued at current General Fund-State funding levels, including interagency reimbursements received from the Department of Fish and Wildlife, the Department of Ecology, and the Interagency Committee for Outdoor Recreation. This item reflects increased funding from the Salmon Recovery Account. (Salmon Recovery Account-State)
- Econ Development Strategic Reserve** - The Governor, upon recommendation of the Director of the Department of Community, Trade, and Economic Development and the Economic Development Commission, authorizes funds to recruit businesses, support public infrastructure, and provide technical assistance to prevent business closure or relocation outside the state. The funding is provided to implement Chapter 427, Laws of 2005 (2SSB 5370). (Economic Development Strategic Reserve Account-State)
- Hood Canal Study** - Funding in FY 2007 is provided for the Puget Sound Action Team, in coordination with the Hood Canal Coordinating Council, to contract for the initial phase of a two-part study to improve data and knowledge on nitrogen loading and removal from systems in Hood Canal.

Office of the Lieutenant Governor

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,518	1	1,519
Total Maintenance Changes	0	-1	-1
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	3	3
2. Central Service Agency Charges	2	0	2
Total Policy Changes	2	3	5
2005-07 Revised Appropriations	1,520	3	1,523
Fiscal Year 2006 Total	752	0	752
Fiscal Year 2007 Total	768	3	771

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Public Disclosure Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,998	0	3,998
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	10	10
2. Central Service Agency Charges	4	0	4
3. Campaign Contribution Limits	66	0	66
Total Policy Changes	70	10	80
2005-07 Revised Appropriations	4,068	10	4,078
Fiscal Year 2006 Total	1,999	0	1,999
Fiscal Year 2007 Total	2,069	10	2,079

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 3. Campaign Contribution Limits** - Funding is provided to implement Chapter 348, Laws of 2006 (3SHB 1226), which requires increased monitoring and education for the new categories of candidates subject to limitations on campaign contributions.

Office of the Secretary of State

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	36,425	80,860	117,285
Total Maintenance Changes	1,651	931	2,582
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	101	101
2. Classification Revisions	-22	13	-9
3. Central Service Agency Charges	20	32	52
4. Local Government Off-Site Storage	0	130	130
5. Local Government Records Retention	0	109	109
6. Voter Registration Database	0	6,000	6,000
7. Democratic Party v. Sam Reed	110	0	110
8. Farrakhan Lawsuit	327	0	327
9. Voter Registration Forms	60	0	60
10. County Election Cost Reimbursement	1,176	0	1,176
11. TVW Spanish Translation Programming	319	0	319
Total Policy Changes	1,990	6,385	8,375
2005-07 Revised Appropriations	40,066	88,176	128,242
Fiscal Year 2006 Total	21,593	64,635	86,228
Fiscal Year 2007 Total	18,473	23,541	42,014

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Local Government Off-Site Storage** - The Washington State Digital Archives in Cheney will store local government mission-critical backup tapes off site. (Local Government Archives Account-State)
5. **Local Government Records Retention** - The Local Records Committee will review and update local government general records retention schedules. (Archives and Records Management Account-State, Local Government Archives Account-State)
6. **Voter Registration Database** - The federal Help America Vote Act requires the state to develop a statewide voter registration database. The first phase of the database should be completed by April 2006. Funding is provided to implement the second phase, which will complete the database. (Election Account-Federal)
7. **Democratic Party v. Sam Reed** - Funding is provided for the settlement of all claims in *Washington State Democratic Party, et al. v. Sam S. Reed, et al.* The expenditure is contingent on the release of all claims in the case and related appeal, and total settlement costs shall not exceed this amount.
8. **Farrakhan Lawsuit** - Funding is provided for the one-time legal costs associated with litigation regarding the voting rights of inmates under the supervision of the Department of Corrections.
9. **Voter Registration Forms** - Voter registration forms will be reprinted in accordance with changes mandated by legislation relating to out-of-state voters, Chapter 246, Laws of 2005 (ESSB 5743).
10. **County Election Cost Reimbursement** - Pursuant to RCW 29A.04.420, funds are provided to reimburse counties for the state share of the 2005 general election.
11. **TVW Spanish Translation Programming** - Funding is provided for allocation to TVW for closed-caption and Spanish translation costs for TVW programming.

Governor's Office of Indian Affairs

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	566	0	566
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	1	1
2. Central Service Agency Charges	3	0	3
Total Policy Changes	3	1	4
2005-07 Revised Appropriations	569	1	570
Fiscal Year 2006 Total	277	0	277
Fiscal Year 2007 Total	292	1	293

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Washington State Commission on Asian-Pacific-American Affairs

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	473	0	473
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	1	1
2. Central Service Agency Charges	1	0	1
3. Filipino-American WWII Veterans	25	0	25
Total Policy Changes	26	1	27
2005-07 Revised Appropriations	499	1	500
Fiscal Year 2006 Total	235	0	235
Fiscal Year 2007 Total	264	1	265

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Filipino-American WWII Veterans** - One-time funding is provided for the Commission to contract with the International Drop-In Center to conduct a year-long survey of Filipino-American World War II veterans residing in the state.

Office of the State Treasurer

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	14,124	14,124
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	38	38
2. Classification Revisions	0	-3	-3
3. Central Service Agency Charges	0	15	15
Total Policy Changes	0	50	50
2005-07 Revised Appropriations	0	14,174	14,174
Fiscal Year 2006 Total	0	7,042	7,042
Fiscal Year 2007 Total	0	7,132	7,132

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
- 3. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Office of the State Auditor

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	4,325	45,917	50,242
Policy Changes			
1. Management&Accountability Proposal	-2,718	-2	-2,720
2. Pension Plan 1 Unfunded Liabilities	0	143	143
3. Central Service Agency Charges	2	49	51
4. Performance Audits (I-900)	0	18,527	18,527
Total Policy Changes	-2,716	18,717	16,001
2005-07 Revised Appropriations	1,609	64,634	66,243
Fiscal Year 2006 Total	1,258	27,817	29,075
Fiscal Year 2007 Total	351	36,817	37,168

Comments:

- 1. Management&Accountability Proposal** - Funding for the implementation of Chapter 385, Laws of 2005, Partial Veto (ESHB 1064 - Performance Audits) is deleted. (General Fund-State, Auditing Services Revolving Account-State)
- 2. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 3. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 4. Performance Audits (I-900)** - Pursuant to Chapter 1, Laws of 2006 (Initiative 900), funding is provided for the State Auditor to conduct independent, comprehensive performance audits on state and local governments, agencies, programs, and accounts. (Performance Audits of Government Account-Non-Appropriated)

Citizens' Commission on Salaries for Elected Officials

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	343	0	343
Policy Changes			
1. Central Service Agency Charges	<u>1</u>	<u>0</u>	<u>1</u>
Total Policy Changes	1	0	1
<hr/>			
2005-07 Revised Appropriations	344	0	344
Fiscal Year 2006 Total	137	0	137
Fiscal Year 2007 Total	207	0	207

Comments:

1. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Office of the Attorney General

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	10,379	195,597	205,976
Total Maintenance Changes	0	576	576
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	560	560
2. Central Service Agency Charges	0	170	170
3. Liquor Distribution Litigation	0	410	410
4. Special Education Litigation	0	1,099	1,099
5. Unfunded Mandates Litigation	80	0	80
6. Fuel Tax Litigation	0	555	555
7. Lower Elwha Klallam Tribe v. WA	0	236	236
8. DSHS Juvenile Litigation	0	598	598
9. Tobacco Master Settlement	762	0	762
10. SVP Legal Services	0	551	551
11. Medicaid Fraud Staffing Enhancement	150	450	600
12. Clemency & Pardons Board Workload	197	0	197
13. Board of Acct Investigate Workload	0	126	126
14. Felon Voting Litigation	0	652	652
15. Fish & Wildlife Legal Services	0	110	110
16. Residential Standards Enforcement	0	50	50
Total Policy Changes	1,189	5,567	6,756
2005-07 Revised Appropriations	11,568	201,740	213,308
Fiscal Year 2006 Total	5,724	99,111	104,835
Fiscal Year 2007 Total	5,844	102,629	108,473

Comments:

- Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- Liquor Distribution Litigation** - Funding is provided for legal services necessary for the state's defense of a lawsuit challenging the method by which wholesale beer and wine sales are conducted in Washington. (Legal Services Revolving Account-State)
- Special Education Litigation** - Funding is provided for an ongoing lawsuit regarding the level of state funding dedicated for special education services. Twelve school districts are challenging state funding levels on constitutional grounds.
- This funding is for additional lawsuit-related expenses expected to be incurred through June 30, 2007. (Legal Services Revolving Account-State)
- Unfunded Mandates Litigation** - Legal services funding is required to defend the state in a lawsuit filed by Spokane County regarding the repayment of costs incurred by the county as a result of newly enacted or amended legislation.
- Fuel Tax Litigation** - The Department of Licensing requires additional legal services related to fuel tax and prorate law issues and to defend several motor vehicle fuel tax cases brought by Native American tribes against the state. These cases are pending in federal court. (Legal Services Revolving Account-State)
- Lower Elwha Klallam Tribe v. WA** - One-time funding is needed for Assistant Attorney General staff support for the *Lower Elwha Klallam Tribe v. Washington State* case. Legal services are required for negotiations and possible litigation over a Native American burial site that was disrupted during the construction of a graving dock necessary for the Hood Canal Bridge reconstruction. (Legal Services Revolving Account-State)
- DSHS Juvenile Litigation** - Funding is provided for additional legal services needed to address juvenile litigation workload issues handled by the Attorney General's Spokane Office and in King County. (Legal Services Revolving Account-State)

Office of the Attorney General

9. **Tobacco Master Settlement** - Funding is needed for legal services associated with enforcement activities and litigation related to the Tobacco Master Settlement Agreement.
10. **SVP Legal Services** - The Office of the Attorney General will provide additional legal services related to the civil commitment of sexually-violent predators (SVP). (Legal Services Revolving Account-State)
11. **Medicaid Fraud Staffing Enhancement** - The Attorney General's Medicaid Fraud Control Unit has experienced an increased caseload for the investigation and enforcement of Medicaid fraud and patient abuse. (General Fund-State, General Fund-Federal)
12. **Clemency & Pardons Board Workload** - Funding is provided for additional legal staff and resources to review cases and conduct hearings of the Clemency and Pardons Board.
13. **Board of Acct Investigate Workload** - The Board of Accountancy will need additional legal services to support investigations not anticipated in the 2005-07 biennial budget. (Legal Services Revolving Account-State)
14. **Felon Voting Litigation** - Funding is provided for the litigation-related legal costs for the defense of a felon voting rights case against the Secretary of State and the Department of Corrections. (Legal Services Revolving Account-State)
15. **Fish & Wildlife Legal Services** - Additional appropriation authority is provided for increased legal services to the Department of Fish and Wildlife. (Legal Services Revolving Account-State)
16. **Residential Standards Enforcement** - Funding is provided for Attorney General costs to implement Chapter 303, Laws of 2006 (E2SSB 6630), which provides the Department of Social and Health Services with additional means of enforcing certification standards for providers of residential services and support to persons with developmental disabilities. (Legal Services Revolving Account-State)

Caseload Forecast Council

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,433	0	1,433
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	4	4
2. Central Service Agency Charges	2	0	2
Total Policy Changes	2	4	6
2005-07 Revised Appropriations	1,435	4	1,439
Fiscal Year 2006 Total	719	0	719
Fiscal Year 2007 Total	716	4	720

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	133,319	322,591	455,910
Total Maintenance Changes	-374	24,259	23,885
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	154	154
2. Classification Revisions	-3	-4	-7
3. Central Service Agency Charges	43	35	78
4. Affordable Housing Program	0	670	670
5. Aerospace Industry Outreach	157	0	157
6. CTED Administration Assistance	410	0	410
7. Public Works Board Client Services	0	160	160
8. Dept of Archaeology Grant	0	529	529
9. ECEAP to Dept of Early Learning	-29,941	0	-29,941
10. Employment Resource Center	1,600	0	1,600
11. Buildable Lands	150	0	150
12. Cluster-Based Economic Development	400	0	400
13. County Prosecutor Victim/Witness	712	0	712
14. Energy Facilities	0	186	186
15. EFSEC Rule Making	25	0	25
16. Safe and Drug Free Schools Program	200	0	200
17. Asset Building Pilot	118	0	118
18. Transfer of Development Rights	250	0	250
19. 2010 Olympic Games	300	0	300
20. Weed and Seed	375	0	375
21. Main Streets Revitalization	183	0	183
22. Poulso Marine Science Center	250	0	250
23. Long-Term Care Volunteer Ombudsman	200	197	397
24. Daybreak Star Cultural Center	544	0	544
25. Northwest Agriculture Incubator	50	0	50
26. Sexual Assault Services	2,000	0	2,000
27. State Birding Trail	96	0	96
28. Court Appointed Special Advocate	116	0	116
29. Minor League Baseball	7,000	0	7,000
30. Benton-Franklin Juvenile Drug Court	168	0	168
31. Community Services Block Grant	1,000	0	1,000
32. Small Business Incubator	400	0	400
33. Small Ports Dredging	75	0	75
34. Dead Sea Scrolls	250	0	250
35. International Music Festival	5	0	5
36. Grants and Assistance	140	0	140
37. Human Trafficking	149	0	149
38. International Trade Alliance	100	0	100
39. Drug Task Forces	1,658	0	1,658
40. Skate America	100	0	100
41. King County Sexual Assault Resource	150	0	150
42. Korean Cultural Festival	25	0	25
43. Enumclaw Loggers Monument	150	0	150
44. Developmental Disability Legal Svcs	300	0	300
45. Mimms Academy	200	0	200
46. Methamphetamine Study	67	0	67
47. Outdoor Recreation Projects	1,550	0	1,550
48. Pacific Northwest Economic Region	50	0	50
49. Pacific-Algona Senior Center	20	0	20
50. Trade Corp Fellowship Program	265	0	265
51. Tribal Forest and Fish	2,500	0	2,500
52. Domestic Violence Funding Restore	530	0	530
53. Governor Veto	-665	0	-665
Total Policy Changes	-5,578	1,927	-3,651

Department of Community, Trade, & Economic Development

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Revised Appropriations	127,367	348,777	476,144
Fiscal Year 2006 Total	67,781	173,443	241,224
Fiscal Year 2007 Total	59,586	175,334	234,920

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Affordable Housing Program** - Appropriation authority and FTEs are provided for the implementation of Chapter 349, Laws of 2006, Partial Veto (E2SHB 2418 - Affordable Housing). (Washington Housing Trust Account-State)
5. **Aerospace Industry Outreach** - Funding is provided for a new position in the Economic Development Division. This position will be responsible for completing the requirements of the Master Site Agreement between the state and Boeing and implementing a statewide aerospace industry strategy.
6. **CTED Administration Assistance** - Funding is provided to facilitate the transition of Department of Community, Trade, and Economic Development's (CTED's) Early Childhood Education Assistance Program (ECEAP) to the newly-created Department of Early Learning (DEL), a cabinet-level agency.
7. **Public Works Board Client Services** - The Drinking Water State Revolving Fund program makes low-interest loans to improve domestic water systems. Capital funds are provided by an annual grant from the Environmental Protection Agency (EPA) and matching funds from the Public Works Assistance Account (PWAA). Administrative funds are provided in the annual EPA grant, PWAA, and Drinking Water Assistance Administrative Account. The annual grant from the federal EPA will decrease in FY 2007. Additionally, the number of loans made by the program is increasing as repayment revenues from previous loans are loaned out again. Additional funds from the Drinking Water Assistance Administrative Account and the PWAA will offset the decrease in federal funding. (Drinking Water Assistance Administrative Account-State, PWAA-State)
8. **Dept of Archaeology Grant** - The Department of Archaeology and Historic Preservation (DAHP) was created and split apart from CTED during the 2005 legislative session. The federal National Parks Service has two open grants with CTED and was unwilling to transfer spending authority to DAHP. These amounts represent a one-time budget transfer of the federal grant funds back to CTED. (General Fund-Federal)
9. **ECEAP to Dept of Early Learning** - ECEAP is transferred to the newly-created DEL.
10. **Employment Resource Center** - Funding is provided for lease costs associated with the Employment Resource Center required by the Master Site Agreement negotiated in 2003. The Center is located close to Paine Field in Everett and will house the workforce training program for the 787 Dreamliner and its suppliers. A Department of Employment Security WorkSource office will be located in the building to provide employment, training, and business services to job seekers and employers in the aerospace and other industries.
11. **Buildable Lands** - Provides one-time funding to assist the Suburban Cities Association, King County, and the cities of Seattle and Bellevue to comply with the most acute Buildable Lands needs countywide. The sum of \$50,000 of these amounts are provided specifically for the Suburban Cities Association to fully fund a Buildable Lands program manager position.
12. **Cluster-Based Economic Development** - Funding is provided pursuant to Chapter 105, Laws of 2006 (2SHB 2498), for the support of an industry cluster-based approach to economic development.
13. **County Prosecutor Victim/Witness** - Funding is allocated to provide each county with an additional 0.5 FTE for prosecutors' victim/witness units.
14. **Energy Facilities** - Funding is provided pursuant to Chapter 205, Laws of 2006 (SHB 2402), for the expedited processing of energy facilities and alternative energy resources. (General Fund-Local)
15. **EFSEC Rule Making** - The Energy Facilities Site Evaluation Council (EFSEC) is provided funding for rule-making required under RCW 80.70.070, the carbon dioxide mitigation statute.

Department of Community, Trade, & Economic Development

16. **Safe and Drug Free Schools Program** - The federal government has reduced the amount of funding provided to Washington State for the Safe and Drug-Free Schools and Communities (SDFSC) grants by approximately \$1.5 million or 21 percent in FY 2007. The SDFSC grant funding supports prevention and intervention specialists in communities and schools to implement comprehensive assistance programs that address problems associated with substance abuse and violence. One-time state funding is provided to help mitigate the impact of this federal budget reduction.
17. **Asset Building Pilot** - One-time funding is provided for an asset building pilot program and an earned income tax credit marketing campaign pursuant to Chapter 91, Laws of 2006 (HB 3156).
18. **Transfer of Development Rights** - Funding is provided for a pilot demonstration project to examine the use of transfer of development rights projects in the state. A minimum of two projects must be established under the direction and administration of the legislative authority of the county hosting the project. Projects may receive no more than \$100,000.
19. **2010 Olympic Games** - The 2010 Winter Olympic Games in Vancouver, British Columbia, present an opportunity for business, marketing, and tourism in Washington State. Funding is provided for the Department to coordinate efforts geared towards the 2010 Olympics with the regional effort being conducted by the Pacific Northwest Economic Region, a statutory committee.
20. **Weed and Seed** - One-time funding is provided to mitigate a Department of Justice (DOJ) lapse in funds due to a federal audit finding on DOJ. Weed and Seed is a community capacity building program that assists communities in addressing violent crime, gang activity, and drug trafficking in neighborhoods. Three programs (two in Seattle and one in Rochester) that are experiencing the lapse in federal funds will be funded by the state in FY 2007.
21. **Main Streets Revitalization** - The Main Streets Revitalization program will help implement the new commercial district tax credit incentive program created by Chapter 514, Laws of 2005 (ESHB 2314). Funding is provided to support an advisory committee; a tax incentive program to be developed in cooperation with the Department of Revenue; and for the review of applications for the Business and Occupation tax credit.
22. **Poulsbo Marine Science Center** - Funding is provided to the city of Poulsbo for the reopening of the Poulsbo Marine Science Center as an educational facility on the Puget Sound marine environment.
23. **Long-Term Care Volunteer Ombudsman** - One-time funding for the Long-Term Care Volunteer Ombudsman program is provided to increase the number of volunteer ombudsmen in adult family home settings. The funding will be used for outreach and training of new volunteers. (General Fund-State, General Fund-Federal)
24. **Daybreak Star Cultural Center** - One-time funding is provided to the Daybreak Star Cultural Center in Seattle's Discovery Park for an upgrade of the Center's electrical system.
25. **Northwest Agriculture Incubator** - The funding for the Northwest Agriculture Incubator is adjusted. The sum of \$60,000 of the General Fund-State appropriation is transferred from FY 2006 to FY 2007, and the funding for FY 2007 is increased by an additional \$50,000.
26. **Sexual Assault Services** - Funding is provided for sexual assault victim advocates' programs. The funding is for core services, such as a 24-hour hotline, crisis intervention advocates, legal, medical, and general advocacy; specialized therapy and social work services; services targeted to underserved populations; and prevention and community education.
27. **State Birding Trail** - One-time funding is provided for the Olympic Loop of the Great Washington State Birding Trail. The Department of Community, Trade, and Economic Development, in partnership with the Department of Fish and Wildlife, the Department of Transportation, the State Parks and Recreation Commission, and Audubon Washington, will create a statewide trail network to attract nature tourists to Washington State. The Olympic Loop is the fourth loop of the planned seven-loop trail.
28. **Court Appointed Special Advocate** - Funding is provided for an increase to the statewide coordination of volunteer programs for Court Appointed Special Advocates.
29. **Minor League Baseball** - One-time funding is provided to the owners of the following minor league baseball facilities for major and minor restoration and repair of facilities. Facilities include: Tacoma Rainiers (\$2,500,000); Spokane Indians (\$2,000,000); Tri-Cities Dust Devils (\$1,000,000); Yakima Bears (\$750,000); and Everett AquaSox (\$750,000). The Department shall not take any portion of the appropriation for administrative purposes.
30. **Benton-Franklin Juvenile Drug Court** - One-time funding is provided to assist the Benton-Franklin Juvenile Drug Court in continuing its program. Federal funds previously used to fund the program have been exhausted. The counties will provide an equivalent match to the state amount to continue the program.
31. **Community Services Block Grant** - Funding is provided to enhance federal appropriations to assist community action agencies.
32. **Small Business Incubator** - Funding is provided for Third Substitute House Bill 1815 (Small Business Incubator). This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).

Department of Community, Trade, & Economic Development

33. **Small Ports Dredging** - One-time funding is provided for a contracted study that will provide recommendations on a small harbor dredging cooperative among the port districts of Pacific and Wahkiakum Counties. The consultant performing the study will be selected by the affected port districts.
34. **Dead Sea Scrolls** - One-time funding is provided to assist with activities related to the Dead Sea Scrolls exhibition at the Pacific Science Center in September 2006.
35. **International Music Festival** - One-time funding is provided for the Tacoma International Music Festival.
36. **Grants and Assistance** - Funding is provided for the implementation of Chapter 314, Laws of 2006 (ESB 5330 - Economic Development Grants Program).
37. **Human Trafficking** - Funding is provided to implement SSB 6652 (Human Trafficking) authorizing a task force through June 30, 2011, to provide guidance in responding to the crime of human trafficking and in providing services to human trafficking victims. See Lapse item below.
38. **International Trade Alliance** - One-time funding is provided for the International Trade Alliance of the Spokane Region to partner with other regional governments to strengthen and diversify the regional economy.
39. **Drug Task Forces** - Federal funding for multi-jurisdictional drug task forces has been reduced by 40 percent since FY 2004. Funding is provided for a backfill related to federal funding reductions for drug task forces.
40. **Skate America** - Funding is provided for tourism branding and marketing associated with the January 2007 United States figure skating championships in Spokane. It is the intent of the Legislature to provide additional funding during the 2007-09 biennium for the payment of one-half of the hosting fee if Spokane is designated as the host city of the 2009 world figure skating championships. The funds provided are contingent on an equal amount of matching funds from non-state sources.
41. **King County Sexual Assault Resource** - One-time funding for King County Sexual Assault Resource Center is provided as follows: \$60,000 to fund a Spanish-speaking therapist position to assist child sexual assault victims; \$46,000 to provide parent/child victim education; and \$42,000 for prevention education programs.
42. **Korean Cultural Festival** - One-time funding is provided for the second annual Northwest Korean Sports and Cultural Festival to be held in Federal Way.
43. **Enumclaw Loggers Monument** - One-time funding is provided for costs associated with the Enumclaw Loggers Monument.
44. **Developmental Disability Legal Svcs** - One-time funding is provided to the Developmental Disabilities Council to contract for legal services for individuals with developmental disabilities entering or currently residing in the Department of Social and Health Services Division of Developmental Disabilities Community Protection Program. Services shall be prioritized for individuals needing legal services who do not have a paid legal guardian. However, services are available to all individuals, subject to available funding.
45. **Mimms Academy** - One-time funding is provided to the Mimms Academy in Tacoma, a nonprofit organization, for a pilot project serving expelled and suspended students between the ages of 11 and 17.
46. **Methamphetamine Study** - Funding is provided to study funding levels for methamphetamine action teams and drug task forces as directed by Chapter 339, Laws of 2006 (E2SSB 6239 - Controlled Substances and Methamphetamine). The Department shall report findings and recommendations to the Legislature by November 1, 2006.
47. **Outdoor Recreation Projects** - Funding is provided for the Department to enter into funding agreements with the Mountains-to-Sound Greenway Trust to accomplish the following projects: Squak Mountain Trail Upgrades; Tiger Mountain Trailhead and Trails Upgrades; Rattlesnake Mountain Trail and Trailhead Construction; Mailbox Peak Trail and Trailhead Improvements; MidFork River Basin Access Projects; Greenway Recreational Signage; Greenway Legacy Planning; Snoqualmie Point View Park Construction; and State Route 18/Interstate 90 Interchange Protection.
48. **Pacific Northwest Economic Region** - Funding is provided to the Pacific Northwest Economic Region as matching funds for use in the development and operation of a regional tourism initiative in coordination with the Department and consistent with the Governor's initiatives on marketing, tourism, and trade.
49. **Pacific-Algona Senior Center** - One-time funding is provided to Pacific-Algona Senior Center, a nonprofit program that serves meals to low-income senior citizens.
50. **Trade Corp Fellowship Program** - Funding is provided to implement Substitute Senate Bill 6330 (Washington Trade Corps Fellowship Program) to enhance the work of Washington's trade offices by placing up to five Washington college and graduate students per year in the offices as fellows. The Governor vetoed SSB 6330 and this appropriation (see veto item below).
51. **Tribal Forest and Fish** - One-time funding is provided to allow tribes to participate in forest and fish practices as they relate to the Forests and Fish Report compiled by the federal government and the state. Federal support is anticipated to end October 1, 2006. However, should federal funding be reinstated, state funding will lapse.
52. **Domestic Violence Funding Restore** - Federal reductions in the Justice Assistance Grant have resulted in reduced funding for domestic violence legal advocacy. The grant has been reduced by 40 percent since FY 2004. Additional one-time state funding is provided to mitigate the reductions. A total of

Department of Community, Trade, & Economic Development

\$700,000 is provided for FY 2007, which includes an appropriation of \$170,000 provided in the 2005-07 enacted operating budget.

53. **Governor Veto** - The Governor vetoed Section 126(42) and (63) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386). Section 126(42) funded 3SHB 1815, which did not pass the Legislature. Section 126(63) provided funding for SSB 6330. This bill was vetoed by the Governor, and therefore, the funding in the supplemental budget is removed.

Economic & Revenue Forecast Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	1,090	0	1,090
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	3	3
2. Central Service Agency Charges	2	0	2
3. Economic Trade Activities	10	0	10
Total Policy Changes	12	3	15
2005-07 Revised Appropriations	1,102	3	1,105
Fiscal Year 2006 Total	579	0	579
Fiscal Year 2007 Total	523	3	526

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 3. Economic Trade Activities** - Funding is provided for two economic trade activities that were not anticipated in the biennial budget.

Office of Financial Management

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	33,043	72,573	105,616
Total Maintenance Changes	-120	1,216	1,096
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	160	160
2. Classification Revisions	0	-4	-4
3. Central Service Agency Charges	183	0	183
4. Roadmap Feasibility Study	0	1,239	1,239
5. Enterprise Systems	0	3,118	3,118
6. WorkFirst Performance Team Funding	470	0	470
7. Capital Budget System Replacement	0	500	500
8. Fiscal Note Analysis	34	0	34
9. Child Care Collective Bargaining	177	0	177
10. Mgmt & Accountability Proposal	2,718	0	2,718
11. Policy and Consensus Center	200	0	200
12. Capital Predesign Evaluations	200	0	200
13. Regulatory Improvements	550	0	550
14. Affordable Health Care	200	0	200
15. Parks, Fish/Wildlife Capital Study	200	0	200
Total Policy Changes	4,932	5,013	9,945
2005-07 Revised Appropriations	37,855	78,802	116,657
Fiscal Year 2006 Total	17,775	37,431	55,206
Fiscal Year 2007 Total	20,080	41,371	61,451

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Roadmap Feasibility Study** - Funding is provided for a feasibility study to identify the business value that can be achieved through the statewide adoption of best business practices in areas such as procurement, budgeting, asset management, and accounting. The study will recommend options that provide the best value to the state. (Data Processing Revolving Account-Non-Appropriated)
5. **Enterprise Systems** - Funding is provided for development of an enterprise-wide contracts management system to replace current, independent contracts management systems used by various agencies. The first phase to address grant management will be deployed by the end of the 2005-07 biennium. (Data Processing Revolving Account-Non-Appropriated)
6. **WorkFirst Performance Team Funding** - Funding to maintain the WorkFirst Performance Team within OFM is permanently transferred from the Department of Social and Health Services.
7. **Capital Budget System Replacement** - OFM, in support of a Joint Legislative Audit and Review Committee study, has completed a review of the state's capital budgeting process. Funding is provided for a new capital budget system that will improve capital budgeting and monitoring, streamline budget development tasks, and provide more information needed for decision-making. (Data Processing Revolving Account-Non-Appropriated)
8. **Fiscal Note Analysis** - One-time funding is provided for contracted technical support to the Sentencing Guidelines Commission to assist in preparing fiscal notes on criminal justice legislation. In addition, funding is provided for a project team of legislative and executive branch fiscal staff to review the estimation process for criminal justice sentencing

Office of Financial Management

legislation. The review team will use a contractor to assist in making recommendations with regard to the data, tools, and responsibilities for best determining the bed impact to prisons and jails of policy proposals.

preservation of existing facilities, deferred maintenance, and other capital improvements. One-time funding is provided for a contracted study of the state parks and DFW capital budget programs. The scope of the study will include, but not be limited to, processes for identifying and scoping proposed capital projects, management and administration of funded projects, and implementation of best management practices. Study recommendations will help shape implementation of the agencies' 2007-09 capital budgets.

9. **Child Care Collective Bargaining** - Funding is provided to hire a staff negotiator to support the child care collective bargaining process established under Chapter 54, Laws of 2006 (E2SHB 2353 - Family Child Care Providers).

10. **Mgmt & Accountability Proposal** - Additional funding is provided for the Governor's Management Accountability and Performance process.

11. **Policy and Consensus Center** - Farmers are being asked to improve their environmental stewardship practices while maintaining the economic viability of their farming operations. Pilot projects will be identified to demonstrate ways to improve both the economic bottom line for farmers and environmental outcomes. The Washington State University and University of Washington Policy Consensus Center will provide project coordination and technical assistance to OFM and other state agencies to work with interested parties in this effort.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Office of Financial Management's budget is shown in the Transportation Budget Section of this document.

12. **Capital Predesign Evaluations** - Funding is provided to evaluate five major capital project predesigns in the 2005-07 biennium. Selected projects are estimated to cost \$5 million or more and represent a variety of agencies and project complexity. The goal of these studies is to identify cost savings early in the process on a variety of projects and to obtain better cost estimates for use in future budget proposals. OFM will contract with a team of experts to perform an in-depth evaluation of statutorily-required elements of a project.

13. **Regulatory Improvements** - The Office of Regulatory Assistance (ORA) provides facilitation, coordination, and education to improve citizen and business interactions related to state regulatory and rulemaking processes. Funding will support the Governor's Regulatory Improvement Program within ORA to improve the state's regulatory climate. ORA, in coordination with the Department of Ecology, the Department of Fish and Wildlife (DFW), and key business licensing, taxing, and regulatory agencies, will begin implementing specific actions, including: expanded integration of state and local government permit teams for combined environmental review (including private development projects); expanded use of programmatic and general permits; deployment of a single portal for businesses to apply for and track permits and licenses, pay taxes, and obtain relevant regulatory information; and implementation of a broader Wetland or Conservation Banking Off-Site Mitigation program.

14. **Affordable Health Care** - Funding is provided for the one-time expense of staffing and support of a joint legislative and executive task force that, by December 2006, is to recommend to the Governor and the Legislature a five-year action plan for substantially improving access to affordable health care.

15. **Parks, Fish/Wildlife Capital Study** - Washington's state parks system and DFW require capital funding for new facilities,

Office of Administrative Hearings

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	29,540	29,540
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	77	77
2. Central Service Agency Charges	<u>0</u>	<u>28</u>	<u>28</u>
Total Policy Changes	0	105	105
2005-07 Revised Appropriations	0	29,645	29,645
Fiscal Year 2006 Total	0	14,705	14,705
Fiscal Year 2007 Total	0	14,940	14,940

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Department of Personnel

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	54,332	54,332
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	102	102
2. Classification Revisions	0	-7	-7
3. Central Service Agency Charges	0	136	136
4. HRMS Renegotiation Costs	0	6,400	6,400
5. Pay Raise Deferment Project	0	7,400	7,400
6. Safety Employees' Retirement Plan	0	125	125
7. Retirement For Justices	0	62	62
8. Voluntary Payroll Deductions	0	300	300
Total Policy Changes	0	14,518	14,518
2005-07 Revised Appropriations	0	68,850	68,850
Fiscal Year 2006 Total	0	44,672	44,672
Fiscal Year 2007 Total	0	24,178	24,178

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **HRMS Renegotiation Costs** - Funding is provided for the completion of the Human Resource Management System (HRMS). The HRMS project was launched in September 2003. In the spring of 2005, the Department of Personnel renegotiated the project's scope and schedule. The Department is authorized to expend revenue collected from its services charge for costs related to these project changes. (Department of Personnel Service Account-State)
5. **Pay Raise Deferment Project** - Funding is provided to cover the cost of providing cost-of-living adjustments to subgroups of employees based upon union representation. The 2005-07 biennial budget directed that state employee pay increases be implemented in July for represented employees and September for non-represented employees. Accommodating the staggered pay raise required that personnel resources be redirected from the HRMS project to reconfigure the old PAY1 payroll system. This reallocation of resources delayed the HRMS project by four months. (Data Processing Revolving Account-Non-Appropriated)
6. **Safety Employees' Retirement Plan** - Funding is provided to update HRMS to accommodate the Public Safety Employees' Retirement System Plan 2 created during the 2004 legislative session. This plan is for public employees whose jobs contain a high degree of physical risk to their personal safety. (Data Processing Revolving Account-Non-Appropriated)
7. **Retirement For Justices** - Funding is provided solely for administrative costs related to providing an employee-funded enhancement of retirement benefits to judges, pursuant to Chapter 189, Laws of 2006 (SHB 2691). (Department of Retirement Systems Expense Account-State)
8. **Voluntary Payroll Deductions** - Funding is provided solely for the administrative costs associated with providing state employees the option of making voluntary contributions to charities or other funds maintained by labor organizations, pursuant to Chapter 216, Laws of 2006 (SHB 2780). (Data Processing Revolving Account-Non-Appropriated)

State Lottery Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	735,244	735,244
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	43	43
2. Classification Revisions	0	-1	-1
3. Central Service Agency Charges	0	31	31
Total Policy Changes	0	73	73
2005-07 Revised Appropriations	0	735,317	735,317
Fiscal Year 2006 Total	0	368,545	368,545
Fiscal Year 2007 Total	0	366,772	366,772

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Washington State Commission on Hispanic Affairs

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	485	0	485
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	1	1
2. Central Service Agency Charges	1	0	1
Total Policy Changes	1	1	2
2005-07 Revised Appropriations	486	1	487
Fiscal Year 2006 Total	238	0	238
Fiscal Year 2007 Total	248	1	249

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Washington State Commission on African-American Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	477	0	477
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	1	1
2. Central Service Agency Charges	<u>1</u>	<u>0</u>	<u>1</u>
Total Policy Changes	1	1	2
2005-07 Revised Appropriations	478	1	479
Fiscal Year 2006 Total	237	0	237
Fiscal Year 2007 Total	<u>241</u>	<u>1</u>	<u>242</u>

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Personnel Appeals Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	1,043	1,043
Total Maintenance Changes	0	69	69
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	5	5
2. Central Service Agency Charges	<u>0</u>	<u>2</u>	<u>2</u>
Total Policy Changes	0	7	7
<hr/>			
2005-07 Revised Appropriations	0	1,119	1,119
Fiscal Year 2006 Total	0	975	975
Fiscal Year 2007 Total	0	144	144

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Department of Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	49,396	49,396
Total Maintenance Changes	0	-466	-466
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	118	118
2. Central Service Agency Charges	0	70	70
3. Plan 3 Basis Recovery	0	372	372
4. Plan 3 Five-Year Vesting	0	78	78
5. \$1,000 Minimum Monthly Benefit	0	80	80
6. Retirement for Justices	0	375	375
7. Purchasing Service Credit	0	117	117
8. LEOFF 2 Disability Allowance	0	230	230
9. TRS Out-of-State Service Credit	0	111	111
Total Policy Changes	0	1,551	1,551
2005-07 Revised Appropriations	0	50,481	50,481
Fiscal Year 2006 Total	0	25,353	25,353
Fiscal Year 2007 Total	0	25,128	25,128

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Plan 3 Basis Recovery** - The Department will modify its automated systems to adjust the manner in which the taxable basis of Plan 3 members' distribution (either lump sum or installment) is calculated. The calculation of basis recovery can have tax implications for members who have received distributions from the Plan 3 systems. (Department of Retirement Systems Expense Account-State)
4. **Plan 3 Five-Year Vesting** - Funds are appropriated solely to pay for the administrative costs associated with reducing the vesting period in Plan 3 of PERS, TRS, and the School Employees' Retirement System to five years for members who have earned 12 months of service credit after age 44 pursuant to Chapter 33, Laws of 2006 (SHB 2684). (Department of Retirement Systems Expense Account-State)
5. **\$1,000 Minimum Monthly Benefit** - Funding is provided solely for administrative costs related to adding a 3 percent per year annual increase and extending eligibility for the \$1,000 minimum monthly benefit available in the Plan 1 of PERS and TRS, pursuant to Chapter 244, Laws of 2006 (SB 6453). (Department of Retirement Systems Expense Account-State)
6. **Retirement for Justices** - Funding is provided solely for administrative costs related to providing an employee-funded enhancement of retirement benefits to judges, pursuant to Chapter 189, Laws of 2006 (SHB 2691). (Department of Retirement Systems Expense Account-State)
7. **Purchasing Service Credit** - Funds are appropriated solely to pay for the administrative costs associated with providing members the option to purchase up to five years of service credit at full cost in many of the plans and systems of the Washington State retirement systems, pursuant to Chapter 214, Laws of 2006 (HB 2690). (Department of Retirement Systems Expense Account-State)
8. **LEOFF 2 Disability Allowance** - Funding is provided solely for administrative costs related to a catastrophic disability benefit of up to 70 percent of pay for members of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 2 who are totally incapacitated by an injury sustained in the course of employment, pursuant to Chapter 39, Laws of 2006 (HB 2932). (Department of Retirement Systems Expense Account-State)
9. **TRS Out-of-State Service Credit** - Funds are appropriated solely to pay for the administrative costs associated with providing an option to purchase service credit for periods worked as a public school teacher outside of Washington for members of TRS Plans 2 and 3, pursuant to Chapter 257, Laws 2006 (ESHB 2680). (Department of Retirement Systems Expense Account-State)

State Investment Board

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	16,020	16,020
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	37	37
2. Central Service Agency Charges	0	11	11
3. Network Changes	0	55	55
4. DNR Commercial Lands Study	300	0	300
Total Policy Changes	300	103	403
2005-07 Revised Appropriations	300	16,123	16,423
Fiscal Year 2006 Total	0	8,238	8,238
Fiscal Year 2007 Total	300	7,885	8,185

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Network Changes** - The Washington State Investment Board is provided additional funding in order to comply with Department of Information Services' policies and connectivity standards for connections to vendors outside of the state government network. The Board will also increase its network connection capacity. (State Investment Board Expense Account-State)
4. **DNR Commercial Lands Study** - Funding is provided to perform an evaluation of the Department of Natural Resources' (DNR) commercial lands holdings. (General Fund-State)

Department of Revenue

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	185,448	12,039	197,487
Total Maintenance Changes	392	3,900	4,292
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	474	474
2. Classification Revisions	-5	0	-5
3. Central Service Agency Charges	163	5	168
4. Biotechnology Products	43	0	43
5. Farm Machinery Tax Relief	147	0	147
6. Hospital Benefit Zones	176	0	176
7. Local Infrastructure Financing	99	0	99
8. Streamlined Sales Tax	176	0	176
9. Excise Tax Relief for Aerospace	29	0	29
10. 5% Penalty Issuances/Tax Reporting	193	0	193
11. Legislation with Admin Impacts	150	0	150
12. Vehicle Enforcement	114	0	114
13. Governor Veto	-176	0	-176
Total Policy Changes	1,109	479	1,588
2005-07 Revised Appropriations	186,949	16,418	203,367
Fiscal Year 2006 Total	94,295	7,886	102,181
Fiscal Year 2007 Total	92,654	8,532	101,186

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Biotechnology Products** - Funding is provided to implement Chapter 178, Laws of 2006 (SHB 2640), which provides a sales and use tax deferral/exemption for construction or expansion of manufacturing facilities that are used to produce biotechnology products or medical devices.
5. **Farm Machinery Tax Relief** - Funding is provided to implement Chapter 172, Laws of 2006 (SHB 2457), which exempts farmers from sales and use tax on replacement parts for farm machinery and equipment.
6. **Hospital Benefit Zones** - Funding is provided to implement Chapter 111, Laws of 2006 (SHB 2670), which authorizes hospital benefit zone financing, supporting development of new hospitals.
7. **Local Infrastructure Financing** - Funding is provided for Chapter 181, Laws of 2006, Partial Veto (E2SHB 2673), which creates the infrastructure financing tool demonstration program to finance local public infrastructure projects designed to promote economic development.
8. **Streamlined Sales Tax** - Funding is provided for implementation of Substitute Senate Bill 6594 (Streamlined Sales and Use Tax), which will bring Washington State into full conformity with the Streamlined Sales and Use Tax Administration Agreement. This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).
9. **Excise Tax Relief for Aerospace** - Funding is provided to implement Chapter 177, Laws of 2006 (HB 2466), which reduces the business and occupation tax rate for aviation repair services, requires an accountability report from claimants, and stipulates electronic filing by claimants. The current aerospace tax incentives are also extended to persons engaged in research, design, and engineering of airplanes and airplane components.
10. **5% Penalty Issuances/Tax Reporting** - Funding is provided to implement Chapter 256, Laws of 2006 (HB 2671), which

Department of Revenue

narrows the 5 percent assessment penalty on all tax deficiencies instituted in 2003 to be only assessed on businesses if they "substantially underpay" taxes due, which is defined as less than 80 percent of the tax due and is greater than \$1,000. The due date for reporting and paying excise taxes for monthly filers is moved from the 20th of each month to the 25th of each month.

11. **Legislation with Admin Impacts** - Additional funding is provided for the many bills that have passed the Legislature effecting the Department of Revenue's workload.
12. **Vehicle Enforcement** - Additional funding is provided for the Department of Revenue to continue working, in FY 2007, with the Washington State Patrol and the Department of Licensing to increase enforcement for state residents whose vehicles and driver's licenses are illegally registered in another state, pursuant to Chapter 323, Laws of 2005 (EHB 1241).
13. **Governor Veto** - The Governor vetoed Section 137(12) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provided for implementation of SSB 6594 (Streamlined Sales and Use Tax). SSB 6594 was not passed by the Legislature.

Board of Tax Appeals

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	2,573	0	2,573
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	6	6
2. Central Service Agency Charges	2	0	2
Total Policy Changes	2	6	8
2005-07 Revised Appropriations	2,575	6	2,581
Fiscal Year 2006 Total	1,362	0	1,362
Fiscal Year 2007 Total	1,213	6	1,219

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Municipal Research Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	4,921	4,921
Policy Changes			
1. Special Purpose Districts	0	300	300
2. Governor Veto	0	-300	-300
2005-07 Revised Appropriations	0	4,921	4,921
Fiscal Year 2006 Total	0	2,455	2,455
Fiscal Year 2007 Total	0	2,466	2,466

Comments:

1. **Special Purpose Districts** - Funding is provided to implement Chapter 328, Laws of 2006, Partial Veto (SSB 6555 - Special Purpose Districts), which authorizes the Municipal Research Council to contract for consulting and research services for special purpose districts. The Governor vetoed this appropriation (see veto item below). (Special Purpose District Research Services Account-State)
2. **Governor Veto** - The Governor vetoed Section 139 of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provided funding from the general fund for the Special Purpose District Research Services Account-State to be used for consulting and research services for special purpose districts.

Office of Minority & Women's Business Enterprises

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	3,186	3,186
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	7	7
2. Central Service Agency Charges	<u>0</u>	<u>3</u>	<u>3</u>
Total Policy Changes	0	10	10
2005-07 Revised Appropriations	0	3,196	3,196
Fiscal Year 2006 Total	0	1,577	1,577
Fiscal Year 2007 Total	<u>0</u>	<u>1,619</u>	<u>1,619</u>

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Department of General Administration

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	554	132,436	132,990
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	207	207
2. Classification Revisions	0	-7	-7
3. Central Service Agency Charges	1	110	111
4. Capitol Projects Advisory Board	125	0	125
5. High Performance Public Buildings	0	256	256
Total Policy Changes	126	566	692
2005-07 Revised Appropriations	680	133,002	133,682
Fiscal Year 2006 Total	321	66,493	66,814
Fiscal Year 2007 Total	359	66,509	66,868

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Capitol Projects Advisory Board** - Funding is provided for the Capitol Projects Advisory and Review Board to continue to plan for future projects for the Capitol Campus.
5. **High Performance Public Buildings** - Funding and staff are added to support the High Performance Public Buildings legislation enacted in the 2005 legislative session.

Department of Information Services

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	210,065	210,065
Total Maintenance Changes	0	350	350
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	211	211
2. Classification Revisions	0	-17	-17
3. Central Service Agency Charges	0	61	61
4. Digital Learning Commons	1,500	0	1,500
Total Policy Changes	1,500	255	1,755
2005-07 Revised Appropriations	1,500	210,670	212,170
Fiscal Year 2006 Total	0	104,633	104,633
Fiscal Year 2007 Total	1,500	106,037	107,537

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Digital Learning Commons** - Funding is provided to support the operations of the Digital Learning Commons (DLC). By September 1, 2006, the DLC shall develop and begin implementation of a plan to become a self-supporting operation. Specifically, the plan shall allow for all DLC operations to be supported by user fees and private contributions by September 1, 2008.

Office of the Insurance Commissioner

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	40,926	40,926
Total Maintenance Changes	0	838	838
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	98	98
2. Classification Revisions	0	-27	-27
3. Central Service Agency Charges	0	32	32
4. Service Contracts	0	42	42
5. Independent Analysis of Healthcare	0	200	200
6. Market Analysis Program	0	306	306
7. Insurance Fraud Unit	0	685	685
Total Policy Changes	0	1,336	1,336
2005-07 Revised Appropriations	0	43,100	43,100
Fiscal Year 2006 Total	0	21,344	21,344
Fiscal Year 2007 Total	0	21,756	21,756

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
- 3. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 4. Service Contracts** - Funding is provided to implement Chapter 274, Laws of 2006 (SHB 2553), which expands current regulations regarding service contractors and product protection insurance. (Insurance Commissioner's Regulatory Account)
- 5. Independent Analysis of Healthcare** - The Office of the Insurance Commissioner (OIC) will retain consultants who will provide independent reviews and industry expertise on issues related to healthcare reform and the regulation of insurers. (Insurance Commissioner's Regulatory Account)
- 6. Market Analysis Program** - Funding is provided for OIC to shift from a regulatory model based on market conduct examinations to a model based on analysis of market data to monitor insurer conduct and anticipate regulatory violations. This funding is intended to begin the transition and prepare an implementation plan. (Insurance Commissioner's Regulatory Account)
- 7. Insurance Fraud Unit** - Funding is provided for Chapter 284, Laws of 2006, Partial Veto (SSB 6234), which establishes an antifraud unit within OIC. (Insurance Commissioner's Regulatory Account)

State Board of Accountancy

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	1,962	1,962
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	3	3
2. Central Service Agency Charges	0	3	3
3. Investigative Workload Increase	0	268	268
Total Policy Changes	0	274	274
2005-07 Revised Appropriations	0	2,236	2,236
Fiscal Year 2006 Total	0	1,059	1,059
Fiscal Year 2007 Total	0	1,177	1,177

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Investigative Workload Increase** - Additional funding is provided for investigation of potential misconduct cases. (Certified Public Accountants' Account-State)

Forensic Investigations Council

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	282	282
Policy Changes			
1. Central Service Agency Charges	<u>0</u>	<u>1</u>	<u>1</u>
Total Policy Changes	0	1	1
<hr/>			
2005-07 Revised Appropriations	0	283	283
Fiscal Year 2006 Total	0	266	266
Fiscal Year 2007 Total	0	17	17

Comments:

1. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Washington Horse Racing Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	8,609	8,609
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	13	13
2. Central Service Agency Charges	0	5	5
Total Policy Changes	0	18	18
2005-07 Revised Appropriations	0	8,627	8,627
Fiscal Year 2006 Total	0	4,276	4,276
Fiscal Year 2007 Total	0	4,351	4,351

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Washington State Liquor Control Board

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,445	190,103	193,548
Total Maintenance Changes	0	527	527
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	282	282
2. Classification Revisions	0	-78	-78
3. Central Service Agency Charges	14	167	181
4. Distribution Center Maintenance	0	1,647	1,647
5. Public Records Officer	0	92	92
6. Training Costs	0	850	850
7. Direct Wine Sales	0	575	575
8. Distribution of Beer and Wine	0	1,864	1,864
Total Policy Changes	14	5,399	5,413
2005-07 Revised Appropriations	3,459	196,029	199,488
Fiscal Year 2006 Total	1,739	95,419	97,158
Fiscal Year 2007 Total	1,720	100,610	102,330

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Distribution Center Maintenance** - Funding is provided to cover additional costs related to the Seattle distribution center's annual maintenance and service contract needs through FY 2007. (Liquor Revolving Account-State)
5. **Public Records Officer** - One additional full-time employee is added in response to an increasing number of public records requests. (Liquor Revolving Account-State)
6. **Training Costs** - Funding is provided for the costs associated with mandatory training for new and existing employees. (Liquor Revolving Account-State)
7. **Direct Wine Sales** - Funding is provided for Chapter 49, Laws of 2006 (ESB 6537), which requires out-of-state wineries to purchase a permit from the Liquor Control Board. (Liquor Revolving Account-State)
8. **Distribution of Beer and Wine** - Funding is provided for Chapter 302, Laws of 2006 (2SSB 6823), which allows out-of-state beer and wine manufacturers to distribute their product directly to retailers without the use of a distributor. This is a result of the court case *Costco Wholesale Corp. v. Roger Hoen, et al.* (Liquor Revolving Account-State)

Utilities and Transportation Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	32,848	32,848
Total Maintenance Changes	0	189	189
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	74	74
2. Central Service Agency Charges	0	29	29
3. Low-Income Home Energy Assistance	0	7,600	7,600
Total Policy Changes	0	7,703	7,703
2005-07 Revised Appropriations	0	40,740	40,740
Fiscal Year 2006 Total	0	24,085	24,085
Fiscal Year 2007 Total	0	16,655	16,655

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Low-Income Home Energy Assistance** - Chapter 3, Laws of 2006 (SHB 2370), provides funding from the Public Service Revolving Fund to the Washington Utilities and Transportation Commission for allocation to the Department of Community, Trade, and Economic Development for use in the Low-Income Home Energy Assistance Program. (Public Service Revolving Fund-State)

Board for Volunteer Firefighters

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	843	843
Total Maintenance Changes	0	0	0
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	1	1
2. Central Service Agency Charges	0	86	86
3. Expanded Duty Classification	0	50	50
Total Policy Changes	0	137	137
2005-07 Revised Appropriations	0	980	980
Fiscal Year 2006 Total	0	415	415
Fiscal Year 2007 Total	0	565	565

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 3. Expanded Duty Classification** - Funding is provided to support the change in the definition of "performance of duty" for relief benefits administered by the State Board for Volunteer Firefighters and Reserve Officers, pursuant to Chapter 26, Laws of 2006 (SHB 2608). (Volunteer Firefighters' and Reserve Officers' Administrative Account-State)

Military Department

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	19,446	250,555	270,001
Total Maintenance Changes	52	40,546	40,598
Policy Changes			
1. 2-1-1 Network	2,500	0	2,500
2. Pension Plan 1 Unfunded Liabilities	0	112	112
3. Classification Revisions	3	16	19
4. Central Service Agency Charges	73	0	73
5. Anti-Terrorism Officer	0	170	170
6. Emergency Mgmt and Preparedness	2,000	0	2,000
7. Tsunami Warning Radios	950	0	950
8. 911 Advisory Committee	0	41	41
9. Uranium Exposure Study	150	0	150
Total Policy Changes	5,676	339	6,015
2005-07 Revised Appropriations	25,174	291,440	316,614
Fiscal Year 2006 Total	10,137	161,583	171,720
Fiscal Year 2007 Total	15,037	129,857	144,894

Comments:

1. **2-1-1 Network** - Funding is provided for the Emergency Management Division to contract with the Washington Information Network 2-1-1 in FY 2007 for operation of a 2-1-1 statewide system. The 2-1-1 system is designed to be a centralized contact point residents can use for referral to a variety of local and state health and social services. The Military Department shall provide the entire amount for 2-1-1 and shall not take any of the funds for administrative purposes.
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
4. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
5. **Anti-Terrorism Officer** - Funding is provided for the Department to hire an anti-terrorism officer for the Army National Guard. This position is newly created and funded through the Federal-State Cooperative Agreement from the National Guard Bureau. The officer will manage the Washington National Guard's anti-terrorism program. (General Fund-Federal)
6. **Emergency Mgmt and Preparedness** - Funding is provided to enhance emergency management in Washington State. First, \$1.6 million is provided for competitive grants to regional agencies, local governments, tribal governments, regional incident management teams, and private organizations. The grants shall be distributed on a competitive basis and awarded for one or more of the following purposes: development and coordination of emergency management plans; training of elected and appointed officials on disaster response; administration of joint emergency management training exercises; and implementation of projects to strengthen emergency response, mitigation, preparation, and coordination. Second, \$0.4 million is provided to the Department to administer the competitive grants and for implementation of one or more of the following activities: development and coordination of emergency management plans; training of elected and appointed officials on disaster response; and administering joint periodic emergency management training exercises. In addition to these duties, the Department will study the feasibility of having regional disaster medical assistance teams and urban search and rescue teams available within the state to be deployed by the Governor. The Department will report the findings and recommendations to the Legislature by December 1, 2006.
7. **Tsunami Warning Radios** - Funding is provided for the purchase and installation of at least 20 All Hazard Alert Broadcast radios along Washington's coast.

Military Department

8. **911 Advisory Committee** - Funding is provided for Chapter 210, Laws of 2006 (SHB 2543), which extends the sunset date for the Enhanced 911 Advisory Committee for five years to 2011. (Enhanced 911 Account)
9. **Uranium Exposure Study** - Funding is provided for the Department to study the scope and adequacy of training on exposure to depleted uranium received by Washington State members of the National Guard serving during the first Gulf War or recently in Iraq and Afghanistan. The Department will initiate a health registry, develop an outreach plan for affected military personnel, and prepare a report and recommendations regarding potential exposure to depleted uranium. The Department will submit a report to the Joint Veterans' and Military Affairs Committee by October 1, 2006. By January 31, 2007, the Joint Veterans' and Military Affairs Committee will submit recommendations, if any, to the appropriate committees of the Legislature.

Public Employment Relations Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	5,600	2,945	8,545
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	24	24
2. Central Service Agency Charges	6	0	6
3. Child Care Collective Bargaining	92	0	92
Total Policy Changes	98	24	122
2005-07 Revised Appropriations	5,698	2,969	8,667
Fiscal Year 2006 Total	2,808	1,435	4,243
Fiscal Year 2007 Total	2,890	1,534	4,424

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Child Care Collective Bargaining** - Funding is provided for costs pursuant to Chapter 54, Laws of 2006 (E2SHB 2353 - Family Child Care Providers), which requires the state to bargain with a single statewide unit of family child care providers over subsidy rates and other economic-related personnel matters. The Public Employee Relations Commission will need to add a labor-management negotiator and cover the statewide election costs to elect the sole bargaining representative for the child care providers. (General Fund-State)

Growth Management Hearings Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	3,158	0	3,158
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	8	8
2. Central Service Agency Charges	<u>3</u>	<u>0</u>	<u>3</u>
Total Policy Changes	3	8	11
2005-07 Revised Appropriations	3,161	8	3,169
Fiscal Year 2006 Total	1,571	0	1,571
Fiscal Year 2007 Total	<u>1,590</u>	<u>8</u>	<u>1,598</u>

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

State Convention and Trade Center

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	76,982	76,982
Policy Changes			
1. Central Service Agency Charges	<u>0</u>	<u>21</u>	<u>21</u>
Total Policy Changes	0	21	21
<hr/>			
2005-07 Revised Appropriations	0	77,003	77,003
Fiscal Year 2006 Total	0	37,809	37,809
Fiscal Year 2007 Total	0	39,194	39,194

Comments:

1. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Department of Archaeology & Historic Preservation

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,099	1,460	2,559
Total Maintenance Changes	374	116	490
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	7	7
2. Federal Funding Adjustment	0	-529	-529
Total Policy Changes	0	-522	-522
2005-07 Revised Appropriations	1,473	1,054	2,527
Fiscal Year 2006 Total	745	259	1,004
Fiscal Year 2007 Total	728	795	1,523

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Federal Funding Adjustment** - A federal funding adjustment from two National Park Service grants is recognized. The Department was created during the 2005 session. Previously, the Department's functions were part of the Department of Community, Trade, and Economic Development (CTED). As a result of the new Department, CTED's federal spending appropriation was reduced for the 2005-07 biennium. The National Park Service currently has two grants open with CTED and will not re-assign those grants to the Department. CTED will provide the grant funds to the Department via an interagency agreement. A corresponding, one-time reduction of \$529,000 is made to the Department. (General Fund-Federal)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Archaeology & Historic Preservation's budget is shown in the Transportation Budget Section of this document.

Department of Financial Institutions

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	37,490	37,490
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	81	81
2. Classification Revisions	0	-4	-4
3. Central Service Agency Charges	0	33	33
4. Mortgage Broker Practices Act	0	804	804
5. Mortgage Lending Fraud Prosecution	0	430	430
Total Policy Changes	0	1,344	1,344
2005-07 Revised Appropriations	0	38,834	38,834
Fiscal Year 2006 Total	0	18,302	18,302
Fiscal Year 2007 Total	0	20,532	20,532

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Mortgage Broker Practices Act** - Funding is included to implement Chapter 19, Laws of 2006 (EHB 2340), which establishes a licensing system and rules of practice and conduct for mortgage brokers and loan originators. (Financial Services Regulation Account-Non-Appropriated)
5. **Mortgage Lending Fraud Prosecution** - Funding is included to implement Chapter 21, Laws of 2006 (HB 2338), which extends the Mortgage Lending Fraud Prosecution Account through FY 2011. The account is used only for criminal prosecution of fraudulent activities related to mortgage lending. The Attorney General and local prosecutors use the funds for prosecution of mortgage lending fraud cases. (Mortgage Lending Fraud Protection Account-Non-Appropriated)

Washington State Gambling Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	29,954	29,954
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	74	74
2. Central Service Agency Charges	0	34	34
Total Policy Changes	0	108	108
2005-07 Revised Appropriations	0	30,062	30,062
Fiscal Year 2006 Total	0	14,209	14,209
Fiscal Year 2007 Total	0	15,853	15,853

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Public Printer

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	65,767	65,767
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	46	46
2. Central Service Agency Charges	0	17	17
Total Policy Changes	0	63	63
2005-07 Revised Appropriations	0	65,830	65,830
Fiscal Year 2006 Total	0	32,938	32,938
Fiscal Year 2007 Total	0	32,892	32,892

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

LEOFF 2 Retirement Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	1,908	1,908
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	3	3
2. Central Service Agency Charges	<u>0</u>	<u>1</u>	<u>1</u>
Total Policy Changes	0	4	4
2005-07 Revised Appropriations	0	1,912	1,912
Fiscal Year 2006 Total	0	949	949
Fiscal Year 2007 Total	0	963	963

Comments:

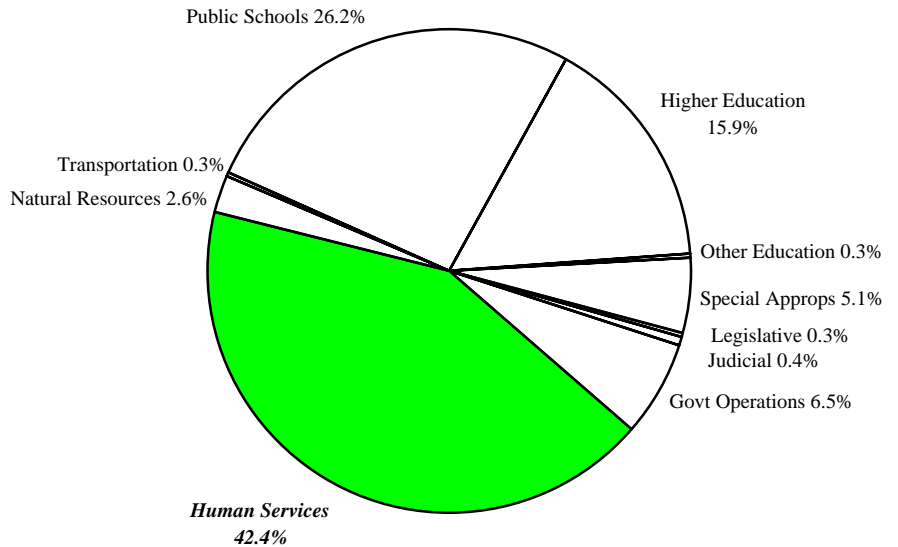
- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Human Services

The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the departmental level and includes the Department of Corrections, the Department of Labor and Industries, the Employment Security Department, the Health Care Authority, the Department of Health, and other human services related agencies.

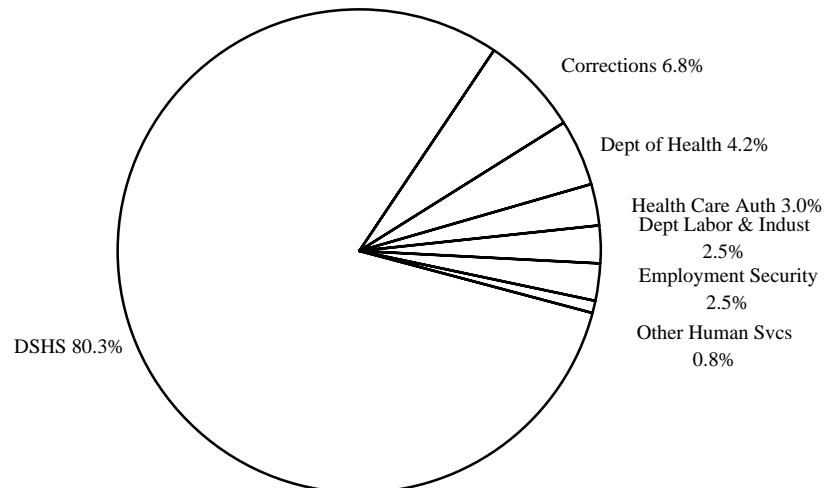
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
<i>Human Services</i>	<i>21,747,617</i>
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
Statewide Total	51,288,737



Washington State

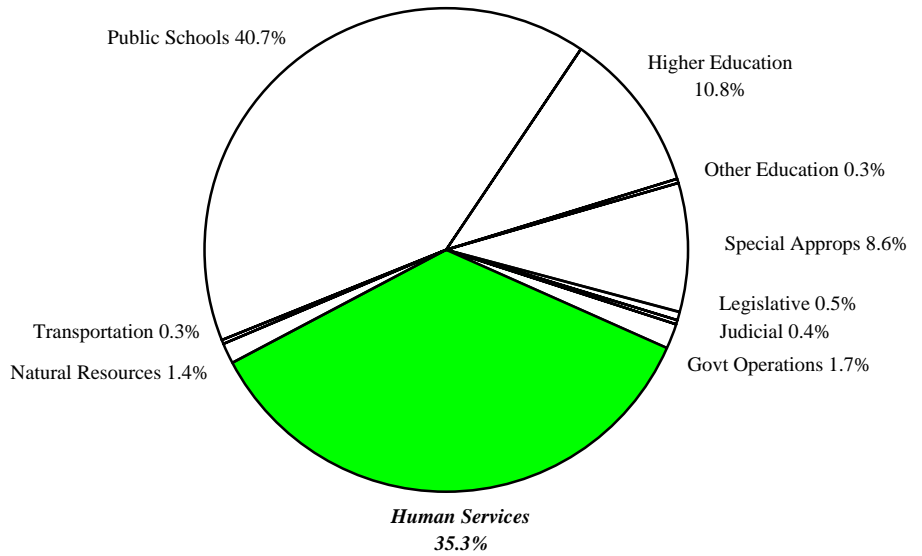
DSHS	17,455,913
Dept of Corrections	1,480,886
Dept of Health	914,099
Health Care Authority	643,171
Dept of Labor & Indust	536,719
Employment Security	534,212
Other Human Svcs	182,617
<i>Human Services</i>	<i>21,747,617</i>



Human Services

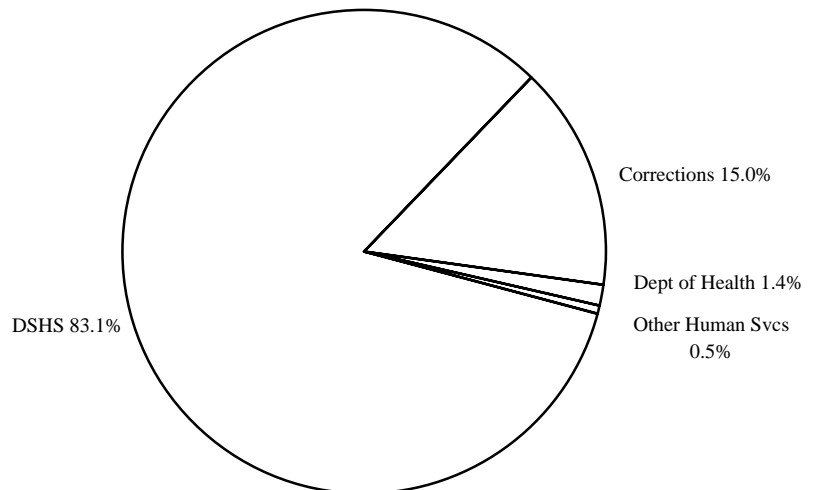
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
<i>Human Services</i>	<i>9,648,542</i>
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

DSHS	8,015,464
Dept of Corrections	1,446,369
Dept of Health	133,776
Other Human Svcs	52,933
<i>Human Services</i>	<i>9,648,542</i>



Human Services

Department of Social & Health Services

Children and Family Services

Total funding for children and family services increased by \$42 million (4.4 percent) over the level originally budgeted for the 2005-07 biennium. Most of this increase (\$30.1 million total funds) is due to higher per person costs for adoption support and foster care services than originally budgeted. These higher per person costs are partially offset by a savings of \$9.6 million in total funds from lower caseloads than assumed in the original budget.

The Children's Administration continues to work with the Braam Oversight Panel to establish benchmarks and achieve outcomes in areas related to placement safety and stability, mental health, foster parent training, sibling separation, and services to adolescents. The budget provides the following funding increases to support a number of these goals:

- \$5.8 million in state funding to phase-in an additional 200 child welfare workers toward achieving the goal of face-to-face contact with children, parents, and/or caregivers every 30 days, for both in-home services and out-of-home placements.
- \$3.8 million in state funding for a new statewide-automated child welfare information system (SACWIS), which is expected to improve the Department of Social and Health Services' (DSHS) ability to report on Braam-related outcomes.
- \$1.0 million in state funding for legislation that expands services to foster parents and children. Chapter 266, Laws of 2006 (2SHB 2002), extends foster care eligibility to age 21 for an additional 50 youths per year who pursue post-secondary education. Chapter 353, Laws of 2006, Partial Veto (2SHB 3115), establishes a statewide foster parent recruitment and retention program, involving in-home training for foster parents who care for sexually and physically aggressive youth.
- \$0.9 million in state funds for costs associated with supervised visitation, which can allow the parent to demonstrate parenting skills and expedites permanency.
- \$0.3 million in state funding for costs associated with placement evaluations, which assist in preventing out-of-home placements, making appropriate out-of-home placements, or implementing a permanent plan.

Juvenile Rehabilitation Administration

The supplemental budget provides \$0.3 million for enhanced staffing to support juvenile offenders residing in mental health living units at Echo Glen Children's Center and Maple Lane School.

Mental Health

State funding for the public mental health system is increased by \$54.8 million (7.3 percent). Major increases include:

- \$33 million (\$30.8 million state) to begin a comprehensive transformation in the delivery of public mental health services for people with severe and persistent mental illness. Core components of the strategy include opening five additional wards at Eastern and Western State Hospitals on a temporary basis, at a cost of \$29 million this biennium and \$31 million next; and providing \$3.2 million this biennium for initial development of new community program approaches which, when fully operational next biennium, will cost approximately \$34 million, and will permit phased closure of the wards that are being opened this biennium. Other elements of the system transformation include development of a plan for expanding community housing options for people with persistent mental illness; development of a utilization review system to assure people receive appropriate levels and duration of inpatient care; a comprehensive review

of the state's involuntary commitment statute and system; and a study of alternative approaches to establishing Medicaid managed care rates, with particular emphasis upon approaches that emphasize defined benefits levels and risk adjustment.

- \$22.2 million (\$11.2 million state) to increase Medicaid managed care payments for community mental health services. Regional Support Network's (RSNs) whose rates are above the statewide average will receive a 3.5 percent rate increase. RSNs whose rates are below the current statewide average will be increased to that average.
- \$2.0 million (state) to satisfy a judgment in a lawsuit brought by Pierce County charging that DSHS had illegally denied prompt state hospital admission of persons committed for long-term treatment and had inappropriately charged the Pierce RSN for excessive use of the state hospitals.
- \$1.8 million (\$1.3 million state) to increase staffing in the criminal offender unit at Eastern State Hospital.

Developmental Disabilities

2006 supplemental state and federal spending on the Developmental Disabilities Medicaid Personal Care (MPC) program total \$345 million for the biennium, 3 percent less than budgeted under the 2005-07 enacted budget. This is \$10.9 million in total funds and \$5.7 million in state funds lower than the 2005-07 enacted budget, primarily due to a lower caseload of children eligible to receive MPC services than originally anticipated. In total, a biennial average of 11,400 adults and children are expected to be eligible for MPC services during the 2005-07 biennium.

A total of \$1.2 million in state and federal funding is provided for an additional 19 persons needing community residential and support services. Seven additional clients will be served in the community protection program, and priority consideration for the remaining 12 placements shall be for children with high behavior needs aging out of state services; clients who are in crisis or immediate risk of needing an institutional placement; and residents of state institutions who have chosen to move to a community setting.

The sum of \$1.1 million is provided to extend employment and day services to approximately 250 additional clients. Priority consideration for this new ongoing funding will be young adults living with their families who need employment opportunities and assistance after high school graduation.

A rate increase is provided for supported living providers of 15 cents per hour for King County providers and 12 cents per hour for all other providers. A total of \$1.9 million in state and federal funding is provided for this enhancement.

A total of \$1.4 million in state and federal funding is provided to add 14 case resource managers and related support staff in fiscal year 2007 for more timely distribution of programs to clients waiting for services, including Medicaid Personal Care, family support, and other programs. Half of the caseworkers will be devoted to accelerating the implementation of the Mini-Assessment tool to clients who are currently not receiving paid services.

Long-Term Care

A total of \$2.6 billion is appropriated for DSHS to provide long-term care services to an average of 49,600 elderly and disabled adults per month. This is \$320 million (14 percent) more than was expended on such services last biennium and \$93 million (3.7 percent) more than was originally budgeted for the 2005-07 biennium.

The 2006 supplemental budget contains a number of adjustments to long-term care provider payment rates, including:

- \$20.2 million to increase nursing facility payment rates in accordance with Chapter 258, Laws of 2006 (EHB 2716);
- \$2.3 million to provide boarding homes and adult family homes with a 1 percent vendor rate increase in addition to the 1 percent annual vendor rate increases provided in the initial budget;
- \$2.0 million to increase payments for assisted living facilities that meet certain criteria; and

- \$1.5 million to restore a reduction to Area Agency on Aging (AAA) services included in the original budget and to provide AAAs with the same 1 percent annual vendor rate increase as was provided in the original budget for most other health and human services contractors.

In addition, a total of \$11.3 million is provided to implement Chapter 9, Laws of 2006 (SHB 2333), which requires that home care agency payment rates include all of the same wage and benefit increases as are awarded to individual home care providers through collective bargaining or binding arbitration. The Department's contribution rate for health care benefits, including medical, dental, and vision benefits, will be paid to agency providers of home care services at the same rate as negotiated and funded for individual providers, increasing monthly premium payments from \$413 per eligible worker to \$532 per eligible worker in fiscal year 2007. In addition, monthly premium payments for fiscal year 2006 are increased from \$380 per eligible worker to \$449 per eligible worker.

The 2006 supplemental budget also appropriates a total of \$15 million to settle a lawsuit between DSHS and nursing home contractors. The disbursement of these funds is contingent upon the plaintiff's release of all claims in the case.

Economic Services Administration

A total of \$51 million is provided to balance WorkFirst (Washington's program for Temporary Assistance to Needy Families and Working Connections Child Care), a state and federally-funded program managed by the Governor. The Governor requested a 2005 workgroup to re-examine the WorkFirst program, which has a \$106 million deficit for the 2005-07 biennium and to provide recommendations to balance the program. In addition to the use of \$20 million in resources from federal incentives and other one-time sources, the Governor expects to implement portions of the workgroup's recommendations by making \$36 million in reductions through various efficiencies, caseload reductions, and full-family sanctions. Child care is unaffected. A total of \$50.5 million in new state funds is provided to balance the remaining shortfall. An additional \$0.7 million is provided due to a delay in implementation of full-family sanctions until March 1, 2007.

A total of \$1.5 million is provided to supplement existing state and federal funds dedicated to limited English proficiency services, which assist public assistance-eligible refugees and others who have a limited ability to speak English by providing specialized job training, English-as-a-Second-Language classes, and other services.

Medical Assistance Administration

State and federal spending on the Medical Assistance program is now budgeted to total \$7.7 billion for the biennium. This is \$58 million (0.8 percent) less than previously budgeted.

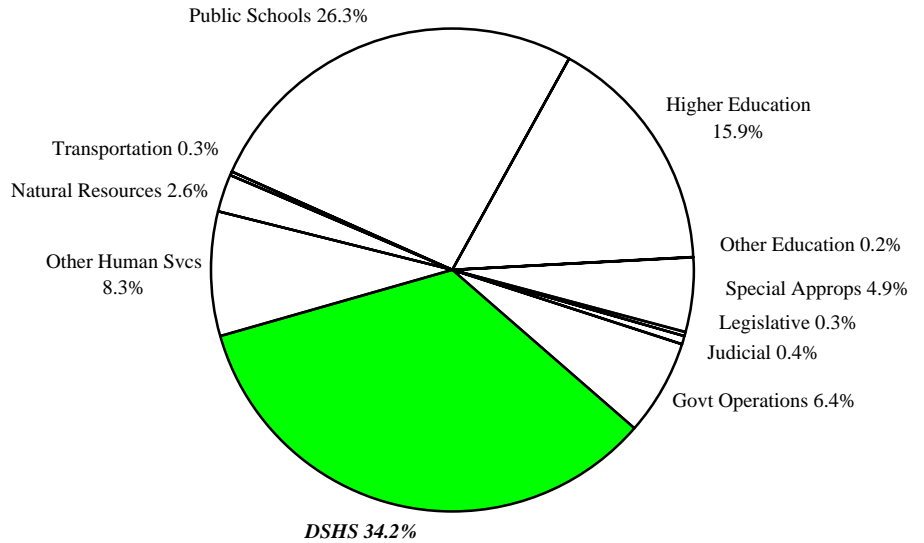
The primary reason for the reduced expenditure is that caseloads are growing more slowly than previously projected. A biennial average of 915,000 low-income persons per month are now expected to receive medical and dental care through the program. This is 2.2 percent less than the average of 936,000 people per month anticipated in the original biennial budget.

The savings from slower caseload growth are largely offset by higher medical cost inflation, and by two significant program enhancements. Medical costs per person covered are now projected to increase by an average of about 3.6 percent per year, rather than by the average of about 3.3 percent per year anticipated in the original biennial budget. Significant program enhancements include:

- \$18.2 million in state funds to cover the co-payment costs that 100,000 elderly and disabled Washingtonians whose drug costs were previously covered in full by the state Medicaid program are now being charged under the new federal Medicare Part D program.
- \$7.3 million in state funds to increase the number of children enrolled in the Immigrant Children's Health Program to 13,000 in July 2006 and to 14,000 in October 2006. The program currently provides medical and dental care for 4,300 children whose family incomes are below the poverty level but who are not eligible for Medicaid because of their immigration status.

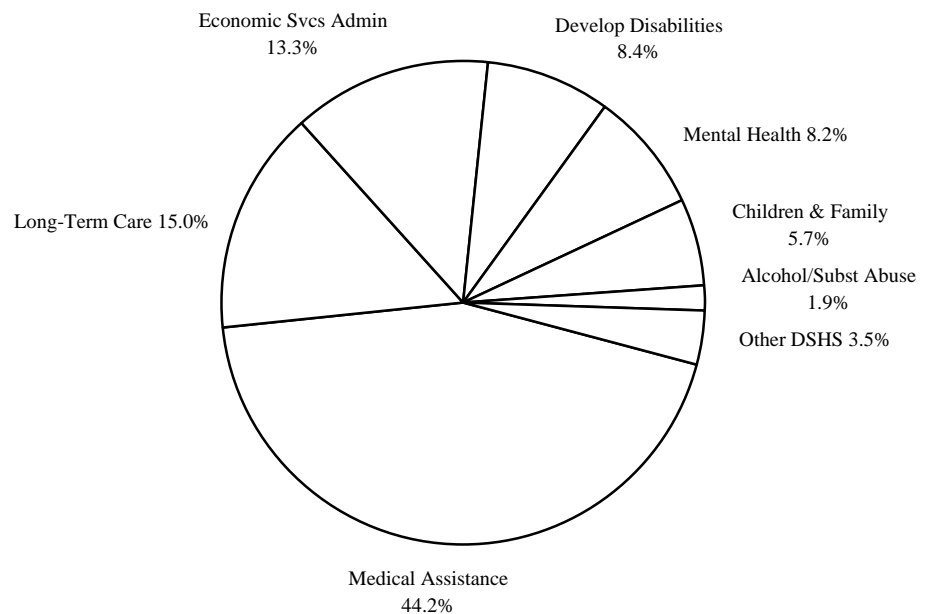
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	148,103
Judicial	223,190
Governmental Operations	3,281,763
DSHS	17,464,522
Other Human Services	4,244,177
Natural Resources	1,327,409
Transportation	147,302
Public Schools	13,422,050
Higher Education	8,129,159
Other Education	106,288
Special Appropriations	2,501,286
Statewide Total	50,995,249



Washington State

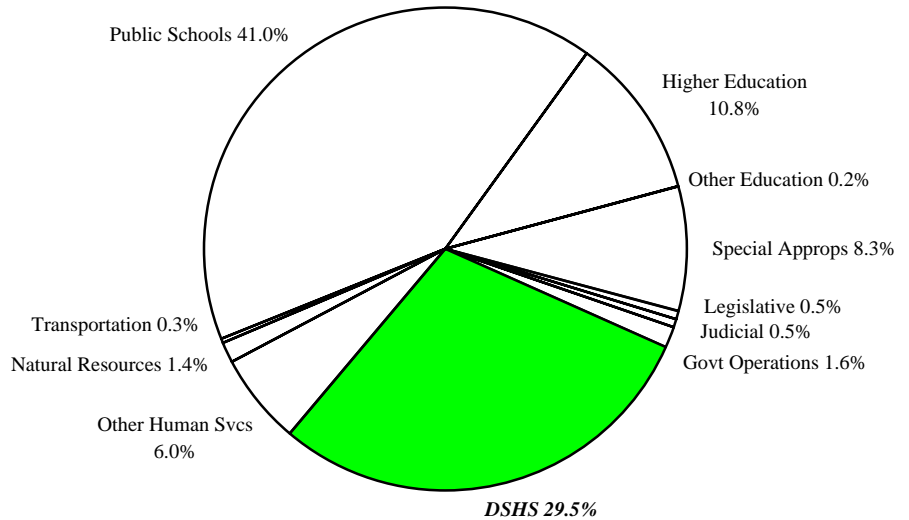
Medical Assistance	7,709,386
Long-Term Care	2,610,163
Economic Services Admin	2,319,934
Developmental Disabilities	1,459,232
Mental Health	1,426,764
Children & Family Svcs	993,406
Alcohol/Subst Abuse	328,677
Other DSHS	608,351
DSHS	17,455,913



DSHS

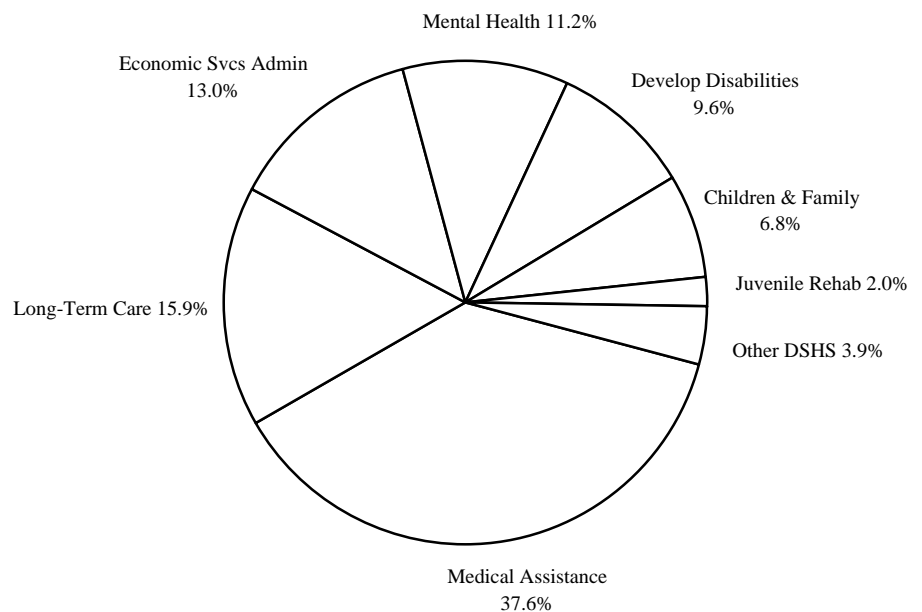
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	140,970
Judicial	125,746
Governmental Operations	433,297
DSHS	7,972,990
Other Human Services	1,622,936
Natural Resources	368,475
Transportation	71,307
Public Schools	11,098,838
Higher Education	2,918,683
Other Education	43,997
Special Appropriations	2,244,744
Statewide Total	27,041,983



Washington State

Medical Assistance	3,012,988
Long-Term Care	1,273,947
Economic Services Admin	1,045,849
Mental Health	895,386
Developmental Disabilities	768,999
Children & Family Svcs	544,868
Juvenile Rehabilitation	159,646
Other DSHS	313,781
DSHS	8,015,464



DSHS

Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	517,355	434,065	951,420
Total Maintenance Changes	13,706	5,683	19,389
Policy Changes			
1. Transfers	0	0	0
2. Pension Plan 1 Unfunded Liabilities	0	1,012	1,012
3. Lease Rate Adjustments	1,539	707	2,246
4. Placement Evaluations	270	0	270
5. Supervised Visitation	916	360	1,276
6. Replace Child Welfare Info System	3,802	3,802	7,604
7. Foster Care to Age 21 Pilot	450	0	450
8. Family Planning Services	185	191	376
9. Home Care Agency Parity	96	97	193
10. Children's Advocacy Centers	50	0	50
11. Child Welfare 30-Day Visits	5,828	2,398	8,226
12. Continuum of Care Region 1	100	0	100
13. Foster Parent Critical Support	521	223	744
14. Safe Havens Supervised Visitation	50	0	50
Total Policy Changes	13,807	8,790	22,597
2005-07 Revised Appropriations	544,868	448,538	993,406
Fiscal Year 2006 Total	257,266	216,951	474,217
Fiscal Year 2007 Total	287,602	231,587	519,189

Comments:

1. **Transfers** - Expenditures funded from the Public Safety and Education Account are transferred to the Violence Reduction and Drug Enforcement Account. (Public Safety and Education Account-State, Violence Reduction and Drug Enforcement Account-State)
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Lease Rate Adjustments** - Funding is provided to bring the Children's Administration's allotments for leases into alignment with actual costs. (General Fund-State, General Fund-Federal)
4. **Placement Evaluations** - Funding is provided for an increase in the forecasted costs of placement evaluations. These psychiatric and psychological evaluations for children and/or parents assist in preventing out-of-home placements, making appropriate out-of-home placements, and developing and implementing permanency plans. (General Fund-State, General Fund-Federal)
5. **Supervised Visitation** - Funding is provided for an increase in the forecasted costs of supervised visitation for FY 2007. Supervised visitation helps to maintain the parent-child and sibling relationships when safe to do so, allows the parent the opportunity to demonstrate parenting skills, and expedites permanency. (General Fund-State, General Fund-Federal)
6. **Replace Child Welfare Info System** - Funding is provided for a new information system to replace the legacy-based Case Management Information System (CAMIS). The Department will select a statewide automated child welfare information system (SACWIS), hire an implementation vendor, and perform initial implementation work. Successful implementation of a proven SACWIS is expected to support Child Protective Services (CPS) and Child Welfare Services (CWS) reform efforts by improving the quality and accessibility of case and contract data, including outcome measures. (General Fund-State, General Fund-Federal)
7. **Foster Care to Age 21 Pilot** - Funding is provided to continue foster care and support services to age 21 for up to 50 youths annually who enroll in post-secondary education pursuant to Chapter 266, Laws of 2006 (2SHB 2002).
8. **Family Planning Services** - Funding is provided to increase access to family planning services in the Department of Social and Health Services' (DSHS') Community Service Offices (CSOs). Funds will be used to: 1) provide family planning information and referral to persons involved with CPS or CWS; 2) increase the availability of family planning nurses and health

Department of Social and Health Services Children & Family Services

educators at CSOs to full time; and 3) increase the hourly rate for CSO-based family planning contracts by up to 5 percent. Resources will be prioritized to those areas where pregnancy rates are higher than the statewide average. (General Fund-State, General Fund-Federal)

9. **Home Care Agency Parity** - Chapter 9, Laws of 2006 (SHB 2333), requires DSHS to increase home care agency payment rates to reflect the cost of all hourly wage and benefit increases that are negotiated and funded on behalf of individual providers of home care services. This item includes funding for hourly wage, vacation leave, seniority pay, and workers' compensation increases. It also includes funding to increase the state's contribution for agency worker medical benefits from the \$413 per eligible worker per month FY 2007 rate included in the original budget to the \$532 per eligible worker per month rate funded under the individual provider collective bargaining agreement. Monthly medical premium rates for FY 2006 are increased from \$380 per eligible worker to \$449 per eligible worker. (General Fund-State, General Fund-Federal)
10. **Children's Advocacy Centers** - Additional funding is provided for Children's Advocacy Centers. Children's Advocacy Centers provide a team response to allegations of child abuse that includes forensic interviews, medical evaluations, therapeutic intervention, victim support/advocacy, case review, and case tracking.
11. **Child Welfare 30-Day Visits** - Funding is provided to phase in an additional 200 child welfare services staff by the end of FY 2007 toward achieving the goal of face-to-face contact with children, parents, and/or caregivers every 30 days for both in-home services and out-of-home placements. This funding supports the goals of the Federal Program Improvement Plan, the Braam Lawsuit settlement agreement, and recent child fatality review recommendations. (General Fund-State, General Fund-Federal)
12. **Continuum of Care Region 1** - Funding is provided for Continuum of Care in Region 1. Continuum of care is an early intervention alternative response system for low-risk families offered by contracted service providers. (General Fund-State)
13. **Foster Parent Critical Support** - Funding is provided to implement a statewide foster parent recruitment and retention program for children who act out sexually and/or physically as provided in Chapter 353, Laws of 2006, Partial Veto (2SHB 3115 - Foster Parent Critical Support).
14. **Safe Havens Supervised Visitation** - One-time funding is provided for the Supervised Visitation and Safe Exchange Center in Kent.

Department of Social & Health Services

Children & Family Services

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
Foster Care ⁽¹⁾										
Avg # Children Served Monthly	8,297	8,219	8,127	8,181	8,193	8,177	7,985	7,976	7,994	8,086
% Change from prior year		-0.9%	-1.1%	0.7%	0.2%	-0.2%	-2.3%	-0.1%	0.2%	1.2%
Child Care ⁽²⁾										
Avg # Children Served Monthly	4,435	4,563	4,909	5,253	4,608	4,388	4,021	4,028	4,205	4,194
% Change from prior year		2.9%	7.6%	7.0%	-12.3%	-4.8%	-8.4%	0.2%	4.4%	-0.3%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,477	6,214	6,351	6,375	6,461	6,288	6,558	6,481	6,546	6,611
% Change from prior year		-4.1%	2.2%	0.4%	1.4%	-2.7%	4.3%	-1.2%	1.0%	1.0%
Adoption Support ⁽³⁾										
Avg # Children Served Monthly	3,156	3,903	4,720	5,683	6,603	7,392	8,387	9,208	9,962	10,831
% Change from prior year		23.7%	20.9%	20.4%	16.2%	11.9%	13.5%	9.8%	8.2%	8.7%
Caseload Ratio										
Avg Cases Per Worker ⁽⁴⁾	33:1	29:1	29:1	29:1	24:1	24:1	24:1	24:1	24:1	22:1

⁽¹⁾ Includes Family Foster Care, Group Foster Care, and Receiving Care.

⁽²⁾ Includes the following child care services: CPS/Child Welfare Services (CWS), Therapeutic/Medicaid Treatment, Foster Parent Employment, and Adoption Support Child Care. Prior to FY 2002, the monthly average also included teen parent and seasonal child care.

⁽³⁾ Data reflect Adoption Support maintenance payments. These data are not comparable to caseloads published in prior editions of the Legislative Budget Notes, which reported total eligibles. Official forecasts are now based on maintenance payments rather than eligibles.

⁽⁴⁾ Combined average number of open cases per worker for CPS, CWS, and Family Reconciliation Services.

Data Sources :

FY 1998 through FY 2004 actuals for Foster Care and Adoption Support provided by the Caseload Forecast Council.

FY 1998 through FY 2004 actuals for Child Care and CPS provided by the Department of Social and Health Services Budget Division.

FY 2005 through FY 2007 estimates for Child Care and CPS extrapolated from recent trends (2004, 2005).

FY 2005 through FY 2007 estimates for Foster Care and Adoption Support provided by the Caseload Forecast Council.

Department of Social and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	159,568	51,102	210,670
Total Maintenance Changes	-275	-453	-728
Policy Changes			
1. Mental Health Beds	343	0	343
2. Pension Plan 1 Unfunded Liabilities	0	467	467
3. Classification Revisions	10	0	10
Total Policy Changes	353	467	820
2005-07 Revised Appropriations	159,646	51,116	210,762
Fiscal Year 2006 Total	79,031	25,278	104,309
Fiscal Year 2007 Total	80,615	25,838	106,453

Comments:

1. **Mental Health Beds** - Funding is provided for mentally-ill juvenile offenders residing in mental health living units at Echo Glen Children's Center (16 beds) and Maple Lane School (48 beds). The additional funding will support enhanced staffing levels at these living units.
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)

Department of Social & Health Services Juvenile Rehabilitation

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
Community Residential ⁽¹⁾										
Avg Daily Population/Month	305	239	209	194	173	172	144	123	106	108
% Change from prior year		-21.6%	-12.6%	-7.2%	-10.8%	-0.5%	-16.6%	-14.7%	-13.5%	1.9%
Institutions										
Avg Daily Population/Month	1,048	996	984	987	937	797	781	782	726	708
% Change from prior year		-5.0%	-1.2%	0.3%	-5.1%	-14.9%	-2.1%	0.1%	-7.1%	-2.5%
Parole ⁽²⁾										
Avg Daily Population/Month	1,002	768	1,023	1,062	1,006	847	802	728	770	770
% Change from prior year		-23.4%	33.3%	3.8%	-5.3%	-15.8%	-5.3%	-9.2%	5.7%	0.0%

⁽¹⁾ Includes State Group Homes, Community Residential Placements, Short-Term Transition Program, and the County Commitment Program. Beginning in FY 2002, funding for County Commitment Program beds was eliminated.

⁽²⁾ Parole eligibility standards were significantly modified in FY 1998, FY 2000, and FY 2003.

Data Source :

FY 1998 through FY 2005 from the Department of Social and Health Services Juvenile Rehabilitation Administration.

FY 2006 through FY 2007 data are from legislative fiscal staff.

Department of Social and Health Services Mental Health

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	844,678	528,368	1,373,046
Total Maintenance Changes	1,052	-11,876	-10,824
Policy Changes			
1. Increased Defender Costs	955	0	955
2. Spokane County Lawsuit	520	0	520
3. Pension Plan 1 Unfunded Liabilities	0	1,260	1,260
4. Classification Revisions	195	22	217
5. Pierce County Lawsuit	2,032	0	2,032
6. Allen Lawsuit Settlement	503	0	503
7. Evidence-Based Children's MH Pilots	450	0	450
8. Personal Needs Allowance Increase	6	0	6
9. RSN Allocation Increases	11,241	10,922	22,163
10. System Stabilization Grants	1,593	0	1,593
11. System Transformation Initiative	30,834	2,216	33,050
12. Forensic Admission Staff (ESH)	1,327	466	1,793
Total Policy Changes	49,656	14,886	64,542
2005-07 Revised Appropriations	895,386	531,378	1,426,764
Fiscal Year 2006 Total	423,717	255,925	679,642
Fiscal Year 2007 Total	471,669	275,453	747,122

Comments:

1. **Increased Defender Costs** - Funding is provided for increased King County defender costs for Civil Commitment. King County Superior Court ordered the Department of Social and Health Services (DSHS) to increase its defender rates for special commitment cases by \$20.65 per hour for attorneys and \$16 per hour for paralegals and investigators effective January 1, 2006.
2. **Spokane County Lawsuit** - Funding is provided to settle a claim by the Spokane County Regional Support Network (RSN) regarding costs incurred on behalf of clients who may have been incorrectly denied Medicaid coverage during initial implementation of the Temporary Assistance for Needy Families program during the late 1990's. The RSN contends that because these individuals were not on Medicaid, it was incorrectly denied state and federal funding for their care. A related lawsuit by many of the state's hospitals was settled several years ago.
3. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
4. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
5. **Pierce County Lawsuit** - Funding is provided to comply with and satisfy the final court order and judgment in the *Pierce County v. State of Washington* lawsuit.
6. **Allen Lawsuit Settlement** - Funding is provided for additional staff training and support for people with developmental disabilities during their treatment in the state psychiatric hospitals. This additional programming is expected to result in resolution of a lawsuit first filed in 1999 that challenged the constitutional adequacy of the care previously provided such individuals.
7. **Evidence-Based Children's MH Pilots** - Funding is provided for the Mental Health (MH) Division, in collaboration with the Children's Administration and the Juvenile Rehabilitation Administration, to establish a pilot program to provide evidence-based mental health services to children. The mental health service or services to be provided under the pilot program must be selected from a list of evidence-based service options developed by the Department, in consultation with a broadly representative group of individuals with expertise in children's mental health. The program site or sites will be selected through a request for proposal process, open to counties or groups of counties, and will be operational by December 2006.
8. **Personal Needs Allowance Increase** - Funding is provided to increase the personal needs allowance by 4 percent, from

Department of Social and Health Services Mental Health

\$51.62 per month to \$53.68 per month, for an average of 11,100 publicly-funded clients residing in institutional settings, including residents of nursing facilities, residential habilitation centers, and state mental hospitals. Institutionalized clients who receive a state supplemental payment (SSP) to their social security income in lieu of a personal needs allowance will receive a commensurate \$2.06 per month increase in their SSP benefit. (General Fund-State, General Fund-Federal)

Other elements of the system transformation include: preparation of a plan for expanding community housing options for people with persistent mental illness; development of a utilization review system to assure people receive appropriate levels and durations of inpatient care; a comprehensive review of the state's involuntary commitment statute and system; and a study of alternative approaches to establishing Medicaid managed care rates, with particular emphasis upon approaches that emphasize defined benefits levels and risk adjustment. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

12. **Forensic Admission Staff (ESH)** - Funding is provided for increased staffing and operating costs on the forensic admissions ward at Eastern State Hospital (ESH). The forensic admissions wards evaluate criminal defendants for competency to stand trial and provide short-term treatment aimed at competency restoration. ESH admissions for such services are consistently exceeding budgeted capacity. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

9. **RSN Allocation Increases** - Funding is provided to improve the quality and availability of community mental health services and to assure more equitable access to such services statewide. In FY 2007, non-Medicaid funds are to be distributed proportional to total population in each RSN region. Medicaid payment rates are increased to the statewide average for those RSNs whose rates would otherwise be below that level and by 3.5 percent for those RSNs whose rates are above the current average. Additional state funds are provided to assure that no RSN receives less total funding next year than this year. Statewide, total RSN funding is increased by \$34.6 million, or 9.1 percent, in FY 2007. (General Fund-State, General Fund-Federal)

10. **System Stabilization Grants** - Together with funds available in the base appropriation level, funding is provided to:

- 1) refund 50 percent of the "liquidated damages" that were charged RSNs from FY 2002 to FY 2005 for using more than their allocated amount of state hospital services;
- 2) provide \$750,000 of grants to offset uncompensated care costs for hospitals that no longer qualify for federal funds for that purpose because of federal Medicaid restrictions; and
- 3) provide a one-time start-up grant for a nonprofit home for women recovering from mental illness.

11. **System Transformation Initiative** - Funds are provided to begin a comprehensive transformation in the delivery of public mental health services for people with severe and persistent mental illness. As provided in Chapter 333, Laws of 2006 (2SSB 6793), the strategy: clearly defines state hospital and RSN responsibilities with regard to people who require short- and long-term care; emphasizes the use of evidence-based practices; funds the phased-in development and ongoing support of community-based alternatives to state psychiatric hospitalization; links the receipt of community funding to achievement of negotiated performance objectives; holds RSNs accountable for managing state hospital admissions and discharges within established bed allocation targets; and holds the state hospitals accountable for admitting people who need intensive long-term care on a timely basis, and for effectively supporting their recovery and return to the community. Core components of the strategy include: opening five additional wards at Eastern and Western State Hospitals on a temporary basis, at a cost of \$29 million this biennium and \$31 million next biennium; and providing \$3.2 million this biennium for initial development of new community program approaches, which when fully operational next biennium will cost approximately \$34 million and will permit phased closure of the wards that are being opened this biennium.

Department of Social & Health Services

Mental Health

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
State Hospitals ⁽¹⁾										
Avg Daily Census/Month	1,275	1,317	1,343	1,343	1,328	1,231	1,192	1,207	1,266	1,380
% Change from prior year		3.3%	1.9%	0.0%	-1.2%	-7.3%	-3.1%	1.2%	4.9%	9.0%
Community Outpatient Services - Average Persons Served per Month										
	41,328	43,882	45,174	48,487	51,206	52,047	54,509	52,800	52,500	53,700
% Change from prior year		6.2%	2.9%	7.3%	5.6%	1.6%	4.7%	-3.1%	-0.6%	2.3%
Adults	30,024	31,840	32,902	35,420	36,938	37,347	38,882	37,500	36,600	37,200
% Change from prior year		6.0%	3.3%	7.7%	4.3%	1.1%	4.1%	-3.6%	-2.4%	1.6%
Children	11,304	12,042	12,272	13,067	14,268	14,700	15,627	15,300	15,900	16,500
% Change from prior year		6.5%	1.9%	6.5%	9.2%	3.0%	6.3%	-2.1%	3.9%	3.8%
People on Medicaid	N/A	32,303	30,832	34,048	37,750	39,522	43,213	44,733	45,800	46,900
% Change from prior year			-4.6%	10.4%	10.9%	4.7%	9.3%	3.5%	2.4%	2.4%
People not on Medicaid	N/A	11,579	14,342	14,439	13,456	12,524	11,296	8,022	6,700	6,800
% Change from prior year			23.9%	0.7%	-6.8%	-6.9%	-9.8%	-29.0%	-16.5%	1.5%
Special Commitment Center - Main Facility										
Avg Monthly Population	57	79	105	130	151	167	189	211	239	265
% Change from prior year		38.6%	32.9%	24.0%	15.9%	10.9%	13.1%	11.6%	13.1%	11.0%
Special Commitment Center - Less Restrictive Alternatives ⁽²⁾										
Avg Monthly Population	2	3	5	5	7	9	10	12	16	21
% Change from prior year		50.0%	66.7%	3.3%	29.0%	31.3%	15.2%	14.9%	37.4%	31.9%

⁽¹⁾ Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center.

⁽²⁾ Includes persons in less restrictive alternative placements on McNeil Island and other locations.

Data Sources :

FY 1998 through FY 2005 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2006 and FY 2007 estimates are by legislative fiscal committee staff.

Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	770,056	690,499	1,460,555
Total Maintenance Changes	-5,216	-4,466	-9,682
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	1,152	1,152
2. Classification Revisions	-17	-15	-32
3. Community Protection	241	242	483
4. Home Care Agency Parity	452	452	904
5. Additional Case Management Support	778	580	1,358
6. Licensed Professional Services	100	0	100
7. Personal Needs Allowance Increase	11	11	22
8. Boarding Home Rate Increase	12	12	24
9. Adult Family Home Rate Increase	134	134	268
10. Expand Community Services	391	393	784
11. Expand Employment and Day Services	1,102	281	1,383
12. Supported Living Rate Increase	955	958	1,913
Total Policy Changes	4,159	4,200	8,359
2005-07 Revised Appropriations	768,999	690,233	1,459,232
Fiscal Year 2006 Total	375,376	336,579	711,955
Fiscal Year 2007 Total	393,623	353,654	747,277

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Community Protection** - Funding is provided for community residential and support services for a minimum of 7 clients, which brings the total number of new clients served during the 2005-07 biennium to 42 clients. New placements will serve clients who are: 1) being diverted or discharged from state psychiatric hospitals; 2) participants in the Dangerous Mentally Ill Offender Program; 3) participants in the Community Protection Program; or 4) mental health crisis diversion outplacements. In order to increase the number of clients served and ensure the cost effectiveness of the waiver programs, the Department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. If this can be accomplished, additional clients may be served with excess funds, provided the total projected carryforward expenditures do not exceed those currently projected. (General Fund-State, General Fund-Federal)
4. **Home Care Agency Parity** - Chapter 9, Laws of 2006 (SHB 2333), requires the Department of Social and Health Services to increase home care agency payment rates to reflect the cost of all hourly wage and benefit increases that are negotiated and funded on behalf of individual providers of home care services. This item includes funding for hourly wage, vacation leave, seniority pay, and workers' compensation increases. It also includes funding to increase the state's contribution for agency worker medical benefits from the \$413 per eligible worker per month FY 2007 rate included in the original budget to the \$532 per eligible worker per month rate funded under the individual provider collective bargaining agreement. Monthly medical premium rates for FY 2006 are increased from \$380 per eligible worker to \$449 per eligible worker. (General Fund-State, General Fund-Federal)
5. **Additional Case Management Support** - Funding is provided for an additional 14 case resource managers and related support staff in FY 2007 to assist the Division of Developmental Disabilities in areas where additional case worker staff is necessary to speed up referral to existing entitlement programs or distribution of resources to clients waiting for services. This may include expediting assessments to move eligible clients to Medicaid Personal Care and assisting clients in accessing current family support resources. Half of the new resources provided are dedicated to accelerating the implementation of the mini-assessment tool on clients who are not receiving paid services. (General Fund-State, General Fund-Federal)
6. **Licensed Professional Services** - Funding is provided for DSHS to continue to offer licensed professional services,

Department of Social and Health Services Developmental Disabilities

including dental services, medical and nursing services, psychology and behavioral services, and rehabilitative services, at the state Residential Habilitation Centers (RHCs) to clients who are served in community settings.

non-waiver clients. Federal funds may be used to enhance this funding to the extent that clients are already receiving services from a home- and community-based waiver program. (General Fund-State, General Fund-Federal)

7. **Personal Needs Allowance Increase** - Funding is provided to increase the personal needs allowance by 4 percent, from \$51.62 per month to \$53.68 per month, for an average of 11,100 publicly-funded clients residing in institutional settings, including residents of nursing facilities, RHCs, and state mental hospitals. Institutionalized clients who receive a state supplemental payment (SSP) to their social security income in lieu of a personal needs allowance will receive a commensurate \$2.06 per month increase in their SSP benefit. (General Fund-State, General Fund-Federal)
8. **Boarding Home Rate Increase** - Funding is provided for a 1.0 percent vendor rate increase to boarding home payment rates, effective July 1, 2006. (General Fund-State, General Fund-Federal)
9. **Adult Family Home Rate Increase** - Funding is provided for a 1.0 percent vendor rate increase to adult family home payment rates, effective July 1, 2006. (General Fund-State, General Fund-Federal)
10. **Expand Community Services** - Funding is provided for community residential and support services for a minimum of 12 clients, which brings the total number of new clients served during the 2005-07 biennium to 51. Priority consideration for these placements shall be as follows: 1) children who are aging out of other state services; 2) clients without residential services who are in crisis or immediate risk of needing an institutional placement, including individuals who are living with aging parents who are no longer able to care for their children; 3) current waiver clients who have been assessed as having an immediate need for residential support services; and 4) residents of RHCs who are able to be adequately cared for in community settings and who choose to live in those settings. In order to increase the number of clients served and ensure the cost effectiveness of the waiver programs, the Department will strive to limit new client placement expenditures to 90 percent of the budgeted daily rate. Money not spent on new clients may be used to cover service costs of existing waiver clients, including the costs of employment and day services. In addition, if excess funds are available, additional clients may be served as long as the total projected carryforward expenditures do not exceed those currently projected. (General Fund-State, General Fund-Federal)
11. **Expand Employment and Day Services** - Funding is provided for additional employment and day services to approximately 250 clients with developmental disabilities. Priority consideration for this new ongoing funding will be young adults with developmental disabilities living with their families who need employment opportunities and assistance after high school graduation. Services will be provided for both home- and community-based waiver program clients and
12. **Supported Living Rate Increase** - Funding is provided for a rate increase for supported living providers of 15 cents per hour for King County and 12 cents per hour for all other counties with appropriate benchmark adjustments to the administrative portion of the rate. (General Fund-State, General Fund-Federal)

Department of Social & Health Services

Developmental Disabilities

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
Institutions										
Avg Monthly Population ⁽¹⁾	1,228	1,189	1,139	1,116	1,093	1,044	1,035	1,001	994	994
% Change from prior year		-3.2%	-4.2%	-2.0%	-2.0%	-4.5%	-0.8%	-3.3%	-0.7%	0.0%
Community Residential Programs ⁽²⁾										
Avg Month End Contracted Beds	3,742	3,747	3,920	3,957	4,010	4,005	4,469	4,903	4,955	5,026
% Change from prior year		0.1%	4.6%	0.9%	1.3%	-0.1%	11.6%	9.7%	1.1%	1.4%
Employment & Day Programs										
Avg Monthly Number Served	8,455	8,567	9,193	9,636	10,186	10,751	9,700	8,636	8,914	9,444
% Change from prior year		1.3%	7.3%	4.8%	5.7%	5.5%	-9.8%	-11.0%	3.2%	5.9%
Family Support & Children's Medicaid Personal Care ⁽³⁾										
Number of Clients Served	3,985	4,658	5,247	4,449	4,986	5,249	5,758	5,648	5,453	6,526
% Change from prior year		16.9%	12.6%	-15.2%	12.1%	5.3%	9.7%	-1.9%	-3.5%	19.7%
Personal Care ⁽⁴⁾										
Number of Clients Served	4,199	4,730	5,015	5,630	6,212	6,758	8,934	9,132	9,430	9,695
% Change from prior year		12.6%	6.0%	12.3%	10.3%	8.8%	32.2%	2.2%	3.3%	2.8%

⁽¹⁾ Funded capacity at the Residential Habilitation Centers from FY 2000 through FY 2003 was 1,231 clients.

⁽²⁾ Includes Alternate Living (clients served), Group Homes, intermediate care facilities for the mentally retarded (IMRs), Tenant Support (clients served), and State-Operated Living Alternatives (SOLA).

⁽³⁾ Family Support includes Children's Medicaid Personal Care (non-waiver). Data was recast for FY 2001 forward to include only non-waiver children receiving Medicaid Personal Care. Waiver Personal Care for children is included in Adult Personal Care as of FY 2001.

⁽⁴⁾ Adult Personal Care includes Medicaid Personal Care, Chore Services, and Waiver Personal Care. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program totals. As of 2004, Waiver Personal Care for both children and adults are included since personal care on the waiver was not separately identified for these groups.

Data Sources :

FY 1998 through FY 2005 from the Department of Social and Health Services workload database.

FY 2006 and FY 2007 are budget estimates from legislative fiscal staff.

Department of Social and Health Services Long-Term Care

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,228,339	1,288,766	2,517,105
Total Maintenance Changes	16,844	20,689	37,533
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	563	563
2. Classification Revisions	0	-1	-1
3. AAA Funding Increase	740	740	1,480
4. Assisted Living Facility Payments	818	797	1,615
5. Supplemental Assisted Living Rates	183	184	367
6. Kinship Caregiver Support Program	500	0	500
7. Home Care Agency Parity	5,669	5,644	11,313
8. Loss of Eligibility - AEM Prog	959	-959	0
9. Nursing Home Rate Increase	10,090	10,090	20,180
10. Nursing Home Lawsuit	7,500	7,500	15,000
11. Personal Needs Allowance Increase	122	121	243
12. Adult Day Health Rate Increase	830	753	1,583
13. Boarding Home Rate Increase	732	715	1,447
14. Adult Family Home Rate Increase	443	437	880
15. Homecare Hours Bargaining	121	120	241
16. Residential Standards Enforcement	57	57	114
Total Policy Changes	28,764	26,761	55,525
2005-07 Revised Appropriations	1,273,947	1,336,216	2,610,163
Fiscal Year 2006 Total	610,082	638,329	1,248,411
Fiscal Year 2007 Total	663,865	697,887	1,361,752

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **AAA Funding Increase** - The state contracts with Area Agencies on Aging (AAAs) to provide case management and nurse oversight for persons who receive in-home care services. Funding is provided in FY 2007 to restore the 3.75 percent reduction to such services that was included in the initial 2005-07 budget. Funding is also provided for a 2.01 percent inflationary vendor rate increase, effective July 1, 2006. The initial 2005-07 budget excluded AAAs from receiving the 1.0 percent annual vendor rate increases that were provided for most other health and human services contractors. (General Fund-State, General Fund-Federal)
4. **Assisted Living Facility Payments** - Effective July 1, 2006, in accordance with Chapter 260, Laws of 2006 (ESHB 2925), the Department of Social and Health Services (DSHS) will provide capital add-on rates to assisted living facilities that have a minimum Medicaid occupancy percentage of 60 percent or greater. Managed care clients will be included in the calculation of Medicaid occupancy. (General Fund-State, General Fund-Federal)
5. **Supplemental Assisted Living Rates** - One-time funding is provided in FY 2006 for payments to any assisted living facility licensed under Chapter 18.20 RCW on January 25, 2002, which serves 20 or more clients participating in the program for all-inclusive care. (General Fund-State, General Fund-Federal)
6. **Kinship Caregiver Support Program** - Funding is provided to the AAAs, or entities with which AAAs contract, to provide support services through the kinship caregiver support program for grandparents and other informal kinship caregivers of children throughout the state.
7. **Home Care Agency Parity** - Chapter 9, Laws of 2006 (SHB 2333), requires DSHS to increase home care agency payment rates to reflect the cost of all hourly wage and benefit increases that are negotiated and funded on behalf of individual providers of home care services. This item includes funding for hourly wage, vacation leave, seniority pay, and workers' compensation

Department of Social and Health Services Long-Term Care

increases. It also includes funding to increase the state's contribution for agency worker medical benefits from the \$413 per eligible worker per month FY 2007 rate included in the original budget to the \$532 per eligible worker per month rate funded under the individual provider collective bargaining agreement. Monthly medical premium rates for FY 2006 are increased from \$380 per eligible worker to \$449 per eligible worker. (General Fund-State, General Fund-Federal)

8. **Loss of Eligibility - AEM Prog** - State funds are provided to continue nursing home care for 34 very low-income adults who are not eligible for Medicaid because of their immigration status. Care for these individuals was previously funded through the Medicaid Alien Emergency Medical (AEM) Program, but that coverage has been discontinued because their conditions do not qualify as emergencies under federal program guidelines. Budget projections anticipate that no new clients are admitted to the long-term care component of the program. (General Fund-State, General Fund-Federal)
9. **Nursing Home Rate Increase** - Funding is provided to implement Chapter 258, Laws of 2006 (EHB 2716), which makes the following changes in the nursing home payment system effective July 1, 2006: a) direct care and operations rates will be re-based to reflect calendar year 2003 costs; b) the minimum occupancy standard for the direct care component of the rate is repealed; c) the case-mix corridor floor is eliminated, and the ceiling is increased to 112 percent of the industry median; d) variable return rates are frozen at their June 30, 2006, level; and e) a "hold harmless" provision will assure that certain facilities do not receive a lower rate under the revised system than they are receiving as of June 30, 2006. (General Fund-State, General Fund-Federal)
10. **Nursing Home Lawsuit** - Funds are provided to settle the *Regency Pacific et al. v. Department of Social and Health Services* lawsuit in which nursing home contractors claimed that DSHS inaccurately paid for care provided to patients dually eligible for both Medicaid and Medicare. Disbursement of these funds is contingent upon plaintiff's release of all claims in the case. (General Fund-State, General Fund-Federal)
11. **Personal Needs Allowance Increase** - Funding is provided to increase the personal needs allowance by 4 percent, from \$51.62 per month to \$53.68 per month, for an average of 11,100 publicly-funded clients residing in institutional settings, including residents of nursing facilities, residential habilitation centers, and state mental hospitals. Institutionalized clients who receive a state supplemental payment (SSP) to their social security income in lieu of a personal needs allowance will receive a commensurate \$2.06 per month increase in their SSP benefit. (General Fund-State, General Fund-Federal)
12. **Adult Day Health Rate Increase** - Funding is provided to increase payment rates for adult day health services by 14 percent, effective July 1, 2006. (General Fund-State, General Fund-Federal)
13. **Boarding Home Rate Increase** - Funding is provided to increase boarding home payment rates by an additional 1.0 percent effective July 1, 2006. This is in addition to the 1.0 percent vendor rate increase already funded for July 2006 in the original biennial budget. (General Fund-State, General Fund-Federal)
14. **Adult Family Home Rate Increase** - Funding is provided to increase adult family home payment rates by an additional 1.0 percent effective July 1, 2006. This is in addition to the 1.0 percent vendor rate increase already funded for July 2006 in the original biennial budget. (General Fund-State, General Fund-Federal)
15. **Homecare Hours Bargaining** - In accordance with Chapter 106, Laws of 2006 (ESHB 2475), the Governor will collectively bargain DSHS policies and practices that affect hours of work for individual providers. Funding is provided for DSHS to support the Governor's Office with these negotiations. (General Fund-State, General Fund-Federal)
16. **Residential Standards Enforcement** - Chapter 303, Laws of 2006 (E2SSB 6630), provides additional mechanisms for DSHS to sanction community residential agencies and for those agencies to appeal proposed sanctions. Funds are provided for the Department's residential care quality assurance unit to implement these provisions. (General Fund-State, General Fund-Federal)

Department of Social & Health Services
Long-Term Care Services

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	<u>Estimated</u>	
									2006	2007
Nursing Homes										
Avg. # Served per Day	14,645	14,081	13,783	13,529	13,154	12,943	12,446	12,088	11,791	11,400
% Change from prior year		-3.9%	-2.1%	-1.8%	-2.8%	-1.6%	-3.8%	-2.9%	-2.5%	-3.3%
Community Care *										
Avg. # Served per Month	25,675	27,567	29,319	30,919	32,213	33,727	34,635	35,514	37,248	38,689
% Change from prior year		7.4%	6.4%	5.5%	4.2%	4.7%	2.7%	2.5%	4.9%	3.9%
Combined Total										
Avg. Persons Served	40,320	41,648	43,101	44,448	45,367	46,670	47,080	47,602	49,039	50,089
% Change from prior year		3.3%	3.5%	3.1%	2.1%	2.9%	0.9%	1.1%	3.0%	2.1%

* Includes Chore Services, Community Options Program Entry Services (COPES), Adult Residential, and Medicaid Personal Care.

Data Sources :

Community Care for FY 1998 from Department of Social and Health Services Aging and Disability Services Administration.

All other data is from the Caseload Forecast Council and legislative fiscal staff.

Department of Social and Health Services Economic Services Administration

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	984,247	1,277,913	2,262,160
Total Maintenance Changes	8,954	-5,446	3,508
Policy Changes			
1. WorkFirst Funding Shortfall	51,148	0	51,148
2. Pension Plan 1 Unfunded Liabilities	0	1,798	1,798
3. Head Start Collaboration Transfer	0	-180	-180
4. Child Support Schedule	135	261	396
5. LEP Services Enhancement	1,500	0	1,500
6. Governor Veto	-135	-261	-396
Total Policy Changes	52,648	1,618	54,266
2005-07 Revised Appropriations	1,045,849	1,274,085	2,319,934
Fiscal Year 2006 Total	513,976	631,971	1,145,947
Fiscal Year 2007 Total	531,873	642,114	1,173,987

Comments:

1. **WorkFirst Funding Shortfall** - Funding is provided to balance the WorkFirst program. In addition to: 1) \$35 million in savings due to various efficiencies, caseload reductions, and full-family sanctions recommended by the WorkFirst Reexamination Workgroup; and 2) \$20 million in federal incentives and other one-time sources, the amount provided should be sufficient to cover the program's \$106 million deficit for the 2005-07 biennium. No changes are proposed to child care eligibility and benefits.
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Head Start Collaboration Transfer** - Federal funding and FTEs supporting the Head Start Collaboration Office are transferred from DSHS to the new Department of Early Learning, created under Chapter 265, Laws of 2006 (2SHB 2964). (General Fund-Federal)
4. **Child Support Schedule** - Funding is provided to implement 2SHB 2462 (Child Support Schedule), which establishes a work group to evaluate and recommend changes to the existing child support schedule. This bill was not enacted by the Legislature, funding lapsed, and the Governor vetoed this appropriation (see veto item below). (General Fund-State, General Fund-Federal)
5. **LEP Services Enhancement** - Funding is provided to supplement existing state and federal funds dedicated to limited English proficiency (LEP) services in order to prevent reductions to service contracts. LEP services assist public assistance-eligible refugees and others who have a limited ability to speak English by providing specialized job training, English-as-a-Second-Language classes, and other services.
6. **Governor Veto** - The Governor vetoed Section 207(5) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provided funding to implement 2SHB 2462 (Child Support Schedule). The bill did not pass the Legislature (see item 4 above).

Department of Social & Health Services

Economic Services Administration

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
General Assistance *										
Avg Monthly Caseload	17,467	16,921	16,416	17,857	19,934	19,487	22,028	25,576	27,799	29,778
% Change from prior year		-3.1%	-3.0%	8.8%	11.6%	-2.2%	13.0%	16.1%	8.7%	7.1%
TANF Cases *										
Avg Monthly Caseload	84,685	67,475	58,796	54,758	55,068	54,641	55,606	56,942	56,645	56,426
% Change from prior year		-20.3%	-12.9%	-6.9%	0.6%	-0.8%	1.8%	2.4%	-0.5%	-0.4%
Child Care										
Avg # Children Served/Month	41,677	51,168	58,511	67,425	71,908	70,734	62,216	61,606	62,126	62,703
% change from prior year		22.8%	14.4%	15.2%	6.6%	-1.6%	-12.0%	-1.0%	0.8%	0.9%

* FY 1998 through FY 2000 caseload includes General Assistance-Unemployable (GA-U), General Assistance-Unemployable with expedited medical (GA-X), and General Assistance for children living with legal guardians (GA-H). Starting in FY 2001, GA-H cases are covered by Temporary Assistance to Needy Families (TANF) funding and are included in the TANF case estimate rather than the General Assistance case estimate.

Data Sources :

FY 1998 through FY 2005 General Assistance actuals provided by the Caseload Forecast Council.

FY 1998 through FY 2005 TANF Cases and Child Care actuals provided by the Department of Social and Health Services Budget Division and the Office of Financial Management (OFM).

FY 2006 through FY 2007 General Assistance estimates from Caseload Forecast Council February 2006 forecast.

FY 2006 through FY 2007 TANF case estimates from OFM February 2006 TANF forecast, which contains no step adjustments related to the Governor's proposed 2007 Workfirst actions.

FY 2006 through FY 2007 estimates of children served in child care from OFM Working Connections Child Care August 2005 forecast.

Department of Social and Health Services Alcohol & Substance Abuse

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	124,191	179,731	303,922
Total Maintenance Changes	-2,235	26,416	24,181
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	49	49
2. Expand Parent-Child Asst Program	375	0	375
3. Ensure Problem Gambling Trtmt	150	0	150
Total Policy Changes	525	49	574
2005-07 Revised Appropriations	122,481	206,196	328,677
Fiscal Year 2006 Total	55,136	106,255	161,391
Fiscal Year 2007 Total	67,345	99,941	167,286

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Expand Parent-Child Asst Program** - Funding is provided to expand the Parent-Child Assistance Program (PCAP) to Skagit County. PCAP provides intensive support and referral services to pregnant and parenting women who are using drugs or are at risk of substance abuse. The program is managed by local contractors in conjunction with the University of Washington's Fetal Alcohol and Drug Unit and currently operates in six counties statewide.
3. **Ensure Problem Gambling Trtmt** - Funding is provided to supplement dedicated fee revenues for the newly-established problem gambling treatment program, created by Chapter 369, Laws of 2005 (ESHB 1031). Revenues from the new taxes and lottery set-asides created by the bill are about \$150,000 lower than expected when the program was authorized. State funds are provided to ensure that the level of treatment available is equivalent to the level expected under the 2005-07 biennium budget. (General Fund-State, Problem Gambling Account-State)

**Department of Social & Health Services
Alcohol & Substance Abuse**

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
ADATSA - Assessment										
Avg Monthly Assessments	1,194	1,162	1,167	1,112	1,176	1,126	1,213	1,232	1,120	1,120
% Change from prior year		-2.7%	0.4%	-4.7%	5.8%	-4.3%	7.7%	1.6%	-9.1%	0.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	322	340	351	357	386	381	388	411	375	375
% Change from prior year		5.6%	3.2%	1.7%	8.1%	-1.3%	1.7%	6.0%	-8.8%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	673	633	574	596	575	569	573	639	565	565
% Change from prior year		-5.9%	-9.3%	3.8%	-3.5%	-1.0%	0.7%	11.6%	-11.6%	0.0%

Data Sources

FY 1998 through FY 2004 actuals provided by the Department of Social and Health Services (DSHS) Budget Division.

FY 2005 actuals from DSHS reports.

FY 2006 and FY 2007 estimates provided by the Division of Alcohol & Substance Abuse, 2005.

Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,077,313	4,690,557	7,767,870
Total Maintenance Changes	-90,816	5,444	-85,372
Policy Changes			
1. Employer-Sponsored Insurance Pgm	-17	-16	-33
2. Children's Health Program	10,730	190	10,920
3. Pension Plan 1 Unfunded Liabilities	0	442	442
4. Foster Care to Age 21 Pilot	66	66	132
5. Family Planning Services	255	2,107	2,362
6. Employment Status Report	70	70	140
7. Expand Provider Review & Prior Auth	-3,129	-3,129	-6,258
8. Medicare Part D Co-Pays	18,188	0	18,188
9. Preventive Care Collaborative	50	150	200
10. Breast & Cervical Cancer Screening	278	517	795
11. Federal SCHIP Flexibility	0	0	0
Total Policy Changes	26,491	397	26,888
2005-07 Revised Appropriations	3,012,988	4,696,398	7,709,386
Fiscal Year 2006 Total	1,462,447	2,298,224	3,760,671
Fiscal Year 2007 Total	1,550,541	2,398,174	3,948,715

Comments:

1. **Employer-Sponsored Insurance Pgm** - Funds are provided to expand a small pilot project under which, when it is cost effective for the state, the Department of Social and Health Services (DSHS) will cover the cost of employer-sponsored insurance for children and families who would otherwise be covered by state medical assistance programs. Based upon pilot project experience to date, the program is expected to return modest savings after covering administrative costs, while reinforcing enrollment in employer-based coverage, particularly among small employers. (General Fund-State, General Fund-Federal)
2. **Children's Health Program** - The Children's Health Program provides medical and dental care for children who, because of their immigration status, are not eligible for Medicaid. Enrollment in the program is increased to 12,890 children per month in July 2006 and to 14,000 children per month in October 2006. (General Fund-State, General Fund-Federal)
3. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
4. **Foster Care to Age 21 Pilot** - Funding is provided to implement Chapter 266, Laws of 2006 (2SHB 2002 - Foster Care Support Services). The bill provides that up to 50 young people may remain in foster care until age 21 while participating in post-secondary education. Because they are in foster care, the state Medicaid program will continue to pay for their medical and dental care. (General Fund-State, General Fund-Federal)
5. **Family Planning Services** - Funding is provided to increase access to family planning services in the DSHS' Community Service Offices (CSOs). Funds will be used to: 1) provide family planning information and referral to persons involved with Child Protective Services or Child Welfare Services; 2) increase the availability of family planning nurses and health educators at CSOs to full time; and 3) increase the hourly rate for CSO-based family planning contracts by up to 5 percent. Resources will be prioritized to those areas where pregnancy rates are higher than the statewide average. (General Fund-State, General Fund-Federal)
6. **Employment Status Report** - Funding is provided for implementation of Chapter 264, Laws of 2006, Partial Veto (ESHB 3079 - Employment Status Reporting), which requires DSHS, in cooperation with the Health Care Authority, to report annually to the Legislature on the employment status of enrollees in the Basic Health Plan and state Medical Assistance programs. (General Fund-State, General Fund-Federal)
7. **Expand Provider Review & Prior Auth** - Funding is provided to expand current efforts to assure appropriate and cost-effective utilization of medical services. Savings will be achieved by preventing inappropriate and off-label use of certain prescription drugs; by reviewing, and potentially terminating, contractual arrangements with providers who have

Department of Social and Health Services

Medical Assistance Payments

demonstrated substandard practice patterns; and by increasing record reviews to assure that expensive procedures are being delivered in accordance with clinical guidelines. (General Fund-State, General Fund-Federal)

8. **Medicare Part D Co-Pays** - Approximately 100,000 low-income elderly and disabled individuals whose drug costs were previously covered in full by the state Medicaid program must now pay \$1, \$3, or \$5 per prescription under the new federal Medicare Part D program. State funds are provided to cover the cost of these co-payments on their behalf.
9. **Preventive Care Collaborative** - Funds are provided for the Medical Assistance program to sub-contract through its external quality review organization for dissemination of evidence-based best practices for preventing and treating children's health problems. (General Fund-State, General Fund-Federal)
10. **Breast & Cervical Cancer Screening** - State funds are provided to increase by 25 percent the number of low-income, uninsured women screened through the Washington Breast and Cervical Health Program in the Department of Health. This is expected to result in a corresponding 25 percent increase in the number of women receiving Medicaid-funded treatment for these conditions. (General Fund-State, General Fund-Federal)
11. **Federal SCHIP Flexibility** - The 2006 federal budget allows states to use unspent State Children's Health Insurance Program (SCHIP) funds to match Medicaid expenditures for children with family incomes over 150 percent of the federal poverty level. Because the federal matching funds rate is higher for SCHIP expenditures than for the regular Medicaid program, this reduces required state funding. This is a one-time savings, as the federal statutory provision is due to expire in September 2007. (General Fund-Federal, Health Services Account-State)

Department of Social & Health Services

Medical Assistance Payments

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	Estimated		
								2005	2006	2007
Categorically Needy	704,900	691,838	718,286	766,349	788,931	825,437	824,262	811,462	848,337	885,696
AFDC/TANF	286,965	254,023	249,938	268,785	272,388	276,656	284,308	293,175	284,123	282,774
Elderly	45,047	47,336	50,408	51,757	53,091	54,096	54,599	55,620	56,737	57,901
Disabled	95,010	96,640	100,187	106,870	114,587	118,309	123,058	126,396	129,861	133,639
Non-AFDC Children	239,487	254,069	276,272	293,904	319,793	344,547	328,394	299,740	336,660	356,304
Non-AFDC Pregnant Women	21,430	21,851	21,702	22,353	23,937	25,832	26,392	27,202	27,818	28,584
Undocumented Children	13,050	13,297	15,328	18,100	0	0	0	0	2,150	13,873
Medicare Beneficiaries	3,911	4,622	4,451	4,580	5,036	5,734	7,068	8,545	9,885	11,203
Breast & Cervical Cancer					69	121	182	306	347	427
Medicaid Buy-In					30	142	261	476	757	990
Medically Needy	11,059	11,596	12,566	13,465	14,528	16,061	16,972	17,839	18,092	18,281
Elderly	4,625	4,822	5,158	5,642	6,005	6,437	6,514	6,589	6,562	6,537
Disabled	6,356	6,650	7,299	7,752	8,523	9,624	10,458	11,250	11,530	11,744
All Others	78	124	109	71	0	0	0	0	0	0
Children's Health Insurance Program		2	355	3,378	6,049	7,347	9,531	13,332	12,239	11,679
General Assistance/ADATSA										
# Persons/Month	13,179	12,911	11,716	11,987	11,671	10,429	11,739	14,083	15,568	17,038
State Medically Indigent										
# Persons/Month	2,284	2,271	2,457	2,690	3,331	3,997	0	0	0	0
Refugees										
# Persons/Month	1,353	1,319	1,004	1,135	933	677	685	685	688	688
Total Eligibles per Month	732,775	719,937	746,384	799,004	825,443	863,948	863,189	857,400	894,924	933,382
% Change from prior year		-1.8%	3.7%	7.0%	3.3%	4.7%	-0.1%	-0.7%	4.4%	4.3%

Data Sources:

Caseload Forecast Council and legislative fiscal committees.

Department of Social and Health Services Vocational Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	22,552	89,139	111,691
Total Maintenance Changes	-1,300	-381	-1,681
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	137	137
2. Maximize Federal Funds for Emplmt	456	2,400	2,856
Total Policy Changes	456	2,537	2,993
2005-07 Revised Appropriations	21,708	91,295	113,003
Fiscal Year 2006 Total	10,694	45,811	56,505
Fiscal Year 2007 Total	11,014	45,484	56,498

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Maximize Federal Funds for Emplmt** - Funding is provided to provide the maximum level of vocational rehabilitation services for which the state can receive federal matching dollars. State funding is also provided to match \$1.2 million in federal reallocation dollars should they become available. (General Fund-State, General Fund-Federal)

**Department of Social and Health Services
Administration & Supporting Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	62,868	57,902	120,770
Total Maintenance Changes	5,115	8,678	13,793
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	374	374
2. Central Service Agency Charges	1,764	792	2,556
3. Family Policy Council	1,500	0	1,500
4. System Transformation Initiative	313	0	313
Total Policy Changes	3,577	1,166	4,743
2005-07 Revised Appropriations	71,560	67,746	139,306
Fiscal Year 2006 Total	34,700	33,426	68,126
Fiscal Year 2007 Total	36,860	34,320	71,180

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 3. Family Policy Council** - Funding for the Family Policy Council and for community public health and safety networks is increased to partially offset reductions to those programs that were implemented in the 2001-03 biennial budget. The Council and community-based networks work to prevent child abuse and neglect and recommend policy changes at the state and local levels.
- 4. System Transformation Initiative** - Additional staff are provided for the Office of Financial Recovery to manage the increase in billing to insurance companies and private individuals that will result from the opening of five additional wards at the two state psychiatric hospitals.

Department of Social and Health Services Payments to Other Agencies

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	92,761	45,103	137,864
Total Maintenance Changes	5,234	2,132	7,366
Policy Changes			
1. Residential Standards Enforcement	37	13	50
Total Policy Changes	37	13	50
2005-07 Revised Appropriations	98,032	47,248	145,280
Fiscal Year 2006 Total	48,755	23,547	72,302
Fiscal Year 2007 Total	49,277	23,701	72,978

Comments:

1. **Residential Standards Enforcement** - Chapter 303, Laws of 2006 (E2SSB 6630 - Establishing the Community Protection Program), provides additional mechanisms for the Department of Social and Health Services to sanction community residential agencies and for those agencies to appeal proposed sanctions. Funds are provided for Attorney General support with implementation of these provisions. (General Fund-State, General Fund-Federal)

Other Human Services

Health Care Authority

An additional 6,500 low-income people will receive state-subsidized Basic Health Plan coverage during fiscal year 2007, at a cost of \$12.5 million.

Grants to community clinics that provide free and reduced-cost care are increased by \$2.0 million (21 percent).

A total of \$1.2 million is provided for a new program which will evaluate the effectiveness and efficiency of different health technologies and procedures and provide recommendations to state agencies to assist with their coverage and purchasing decisions.

A new, \$1.5 million program will provide two-year grants of up to \$250,000 to assist community-based organizations by increasing access to appropriate, affordable health care for Washington residents, particularly low-income working individuals.

A total of \$625,000 is provided for initial design and development of a new program through which the state may subsidize enrollment in employer-sponsored health insurance for low-income workers in small businesses.

Criminal Justice Training Commission

One-time funding of \$0.9 million is provided for the Criminal Justice Training Commission (CJTC) to run additional Basic Law Enforcement Academies (BLEA) during fiscal year 2006 and fiscal year 2007. With this funding, CJTC will conduct a survey of local law enforcement and state agencies and collect data needed to project future cadet enrollments for the 2007-09 biennium. CJTC will report back to the Legislature by October 1, 2006.

A total of \$0.6 million is provided to the Washington Association of Sheriffs and Police Chiefs to develop a missing persons website in accordance with Chapter 102, Laws of 2006 (2SHB 2805), and to implement a victim information and notification system. It is anticipated that any additional funds needed to operate the victim notification system will be provided through a federal grant.

A total of \$1.6 million is provided to establish three pilot rural narcotics task forces in the northeast, southeast, and southwest regions of the state. Chapter 339, Laws of 2006 (E2SSB 6239), establishes the task forces' framework, with each pilot area receiving four sheriff deputies, two prosecutors, and one clerk.

Department of Labor and Industries

A total of \$2.0 million is provided for three aspects of the Crime Victims Compensation Program. First, the budget restores the program's reimbursement rates for mental health care to worker's compensation rates beginning in fiscal year 2007. Second, funding is provided for implementation of Chapter 268, Laws of 2006 (HB 2612), which expands eligibility for crime victim compensation to victims of vehicular crimes resulting from failure to secure a load. Finally, by statute, the Crime Victims Compensation Program's rates for inpatient hospitalization cannot be lower than those paid by the Department of Social and Health Services. The rates for the Medicaid program were increased in the 2005-07 biennium.

A total of \$1.2 million is provided to the Department to implement additional fraud-detecting technology known as the Employer Audit Technology and Referral System by July of 2007. The new system will allow for automation of several auditing tasks currently performed manually. The cost to build and implement the new system will be recovered in the first year of its use (fiscal year 2008) and will produce ongoing benefits. One-time costs are \$662,000.

Since fiscal year 2001, the number of electrical inspections requested per day has increased by 36 percent. A total of \$0.9 million is provided for the Department to hire eight additional electrical inspectors to complete the majority of inspection requests within 24 hours.

A total of \$1.6 million is provided for agricultural growers impacted by the cholinesterase monitoring regulation. The funding is to defray the cost of medical monitoring by health care providers and blood testing by the state public health lab.

Department of Veterans' Affairs

The operating budget provides \$2 million for the creation of the Veterans' Innovations Program. The program will consist of two competitive grant programs overseen by a volunteer board to provide economic support in the form of grants to returning veterans and their families, as well as grants to locally-proposed innovative service programs.

The sum of \$0.5 million is included to support the Department's community-based network in assisting returning Iraq and Afghanistan military personnel in applying for benefits and services. The funding will support 28 family activity days for returning veterans and their families that will provide information on securing federal and state benefits and services. This funding will also support local service organizations' efforts to assist an estimated 1,500 additional veterans with federal benefit claims and to provide approximately 130 new returnees with post-traumatic stress disorder treatment.

An appropriation of \$100,000 is provided to support veterans with transportation, clothing, and work tools to enable them to participate in the Veterans' Conservation Corps.

Department of Corrections

Including changes made in the supplemental budget, a total of \$1.5 billion is appropriated for the Department of Corrections to incarcerate an average of 18,000 inmates per month and to supervise an average of 25,600 offenders per month in the community. This is 4.1 percent (\$58.2 million) more than was originally budgeted for the 2005-07 biennium. Most of this increase (\$36.2 million) is due to higher-than-expected increases in the community supervision caseload, medical costs, and other maintenance level changes.

The budget provides \$11.3 million in state funding to complete the third phase of the Offender Management Network Information (OMNI) system, which will replace the Offender-Based Tracking System. The new system is expected to reduce staff data entry efforts, improve reporting capabilities, and redirect staff time towards offender supervision. The total cost of the OMNI project has been estimated at \$50 million.

Chapter 460, Laws of 2005 (E2SHB 2015), created a community-based Drug Offender Sentencing Alternative (DOSA) option. The court may waive the standard sentence for eligible offenders and impose a term of residential treatment for three to six months followed by a term of community custody. A total of \$3.2 million in funding is provided for 100 community-based residential treatment beds and the cost of court-ordered examinations for offenders who are being considered for community-based DOSA.

The budget provides funding for drug policy legislation pursuant to Chapter 339, Laws of 2006 (E2SSB 6239): \$0.4 million for 100 additional therapeutic drug and alcohol treatment placements for offenders in institutions; \$0.3 million for longer DOSA sentences to allow for more time for substance abuse treatment; and \$0.5 million for chemical dependency screenings for all felonies where the court determines that a dependency problem contributed to the offense.

The budget provides \$1.6 million in funding for additional prison beds as a result of increased penalties for sex offenders:

- Chapter 128, Laws of 2006 (2SSB 6319), increases penalties for failure to register as a sex offender, resulting in a mandatory prison term for second and subsequent convictions of this offense. The term of community custody is also increased from 12 months to up to 48 months.
- Chapter 139, Laws of 2006 (2SSB 6172), increases penalties for voyeurism and possession of child pornography.
- Chapter 123, Laws of 2006 (2SSB 6460), requires the court to impose sentencing enhancements for felony crimes committed with sexual motivation.

Department of Employment Security

A total of \$1.2 million is provided to enhance fraud detection within the unemployment insurance system of the Employment Security Department. A new fraud detection unit is created that will identify, prosecute, and collect from people who file inaccurate or fraudulent unemployment claims that result in overpayments. The Department will also increase pursuit of employers who do not pay their unemployment insurance taxes. It is anticipated this investment will generate approximately \$14.2 million in revenue during fiscal year 2007.

Department of Health

The 2006 supplemental budget authorizes the Department of Health to spend \$36 million (4.1 percent) more than originally budgeted for the biennium. Major increases include:

- \$9.3 million of new or increased federal grants. New grant awards total approximately \$1.7 million and will support the collection and analysis of data regarding the medical care needs and risk behaviors of persons with HIV infection. Continuing grants receiving substantial increases include: \$2.1 million for cardiovascular disease prevention; \$2.2 million for development of an environmental health tracking network; and \$1.2 million to assess alternative models of genetics service delivery.
- \$9.0 million (\$2.0 million state) for the state and local health departments to prepare for the possibility of a flu pandemic, such as might arise from the avian flu virus.
- \$4.0 million (\$2.9 million state) to add at least four new vaccines to the schedule of routinely-recommended childhood immunizations.
- \$1.4 million (state and total) to increase the number of low-income, uninsured women screened for breast and cervical cancer by 23 percent.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	622,448	622,448
Total Maintenance Changes	0	-946	-946
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	117	117
2. Classification Revisions	0	-4	-4
3. Health Assessments	0	450	450
4. Centralize Evidence-Based Medicine	0	1,238	1,238
5. Central Service Agency Charges	0	55	55
6. BHP Enrollment Expansion	0	15,124	15,124
7. Community Health Collaboratives	0	1,500	1,500
8. Community Clinic Grants	0	2,000	2,000
9. Employment Status Report	0	564	564
10. Small Business Health Ins. Assist	0	625	625
Total Policy Changes	0	21,669	21,669
2005-07 Revised Appropriations	0	643,171	643,171
Fiscal Year 2006 Total	0	298,881	298,881
Fiscal Year 2007 Total	0	344,290	344,290

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Health Assessments** - Funding is provided to develop an on-line health assessment tool to be made available to all employees. The assessment tool will enable employees to compare their personal health information with local and national data, resulting in recommendations of programs and actions most likely to improve individual health. (State Health Care Authority Administrative Account-State)
4. **Centralize Evidence-Based Medicine** - Funding is provided for the Health Care Authority to establish an interagency Health Technology Clinical Advisory Committee (HTCAC) to study evidence-based purchasing methods and make recommendations to the state's major health care purchasers pursuant to Chapter 307, Laws of 2006, Partial Veto (E2SHB 2575). The participating agencies are the Departments of Social and Human Services, Labor and Industries, Corrections, and Veterans' Affairs. Assessments may be provided to the HTCAC by a new Health Technology Assessment Center at the University of Washington. Recommendations will emphasize health care procedures and technologies that have been shown to be both effective and cost efficient. (General Fund-State, General Fund-Federal, Medical Aid Account-State, Health Services Account-State, Health Care Authority Administrative Account-State)
5. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
6. **BHP Enrollment Expansion** - Funding is provided to subsidize enrollment for an additional 6,500 people in the Basic Health Plan (BHP). (Health Services Account-State, Basic Health Plan Trust Account-Non-Appropriated)
7. **Community Health Collaboratives** - As provided in Chapter 67, Laws of 2006 (E2SSB 6459 - Community-Based Health Care Solutions), the Health Care Authority will provide two-year grants of up to \$250,000 to assist community-based organizations in increasing access to appropriate, affordable health care for Washington residents, particularly low-income working individuals. The applicant organizations must assure measurable improvements in health access within their service region; demonstrate active collaboration with key community partners such as health care providers, businesses, and local government; and provide two dollars in matching funds for each grant dollar awarded. Grants will be funded from a new account established with a \$1.4 million appropriation from the state general fund. (Community Health Care Collaborative Account-Non-Appropriated, Health Services Account-State)

Washington State Health Care Authority

8. **Community Clinic Grants** - Grants to community clinics that provide free and reduced-cost medical care to low-income persons are increased by 21 percent in FY 2007. (Health Services Account-State)
9. **Employment Status Report** - Funding is provided for implementation of Chapter 264, Laws of 2006, Partial Veto (ESHB 3079 - Employment Status Reporting), which requires the Health Care Authority, in cooperation with the Department of Social and Health Services, to report annually to the Legislature on the employment status of enrollees in BHP and state Medical Assistance programs. (General Fund-State, General Fund-Federal)
10. **Small Business Health Ins. Assist** - Funding is provided for initial design and development of the Small Employer Health Insurance Partnership Program (SEHIP) established by Chapter 255, Laws of 2006 (E2SHB 2572 - Small Employer Health Insurance). The program will subsidize enrollment in their employers' insurance program for workers with incomes below 200 percent of poverty and their families. Because the employer will be required to pay at least 40 percent of the cost of the worker's premium, this will be less expensive to the state than if the worker enrolled in the regular BHP, while at the same time enabling small employers to maintain larger, more viable coverage groups. (Health Services Account-State)

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
Basic Health Plan										
Total (Subsidized & HCW)*	127,582	129,873	130,995	132,667	123,730	128,937	103,452	99,807	100,852	105,898
% Change from prior year		1.8%	0.9%	1.3%	-6.7%	4.2%	-19.8%	-3.5%	1.0%	5.0%
Regular Enrollees*	126,472	128,610	129,530	131,111	122,250	127,603	102,271	98,774	100,240	105,688
% Change from prior year		1.7%	0.7%	1.2%	-6.8%	4.4%	-19.9%	-3.4%	1.5%	5.4%
Subsidized Homecare Workers**	1,110	1,263	1,464	1,556	1,481	1,335	1,180	1,033	611	210
% Change from prior year		13.8%	15.9%	6.3%	-4.8%	-9.9%	-11.6%	-12.5%	-40.8%	-65.6%

* State subsidy for "regular" enrollees is provided through the Health Care Authority budget.

** State and federal subsidy for home care worker enrollees is provided in the DSHS Long-Term Care and Developmental Disabilities budgets. The number of home care workers receiving state-subsidized coverage is expected to increase substantially during the 2005-07 biennium. However, because of the availability of other coverage options, the number electing to obtain that coverage through the Basic Health Plan is projected to continue to decline.

Data Sources :

FY 1998 through FY 2005 from the Health Care Authority.

FY 2006 and FY 2007 estimates from legislative fiscal staff.

Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	5,230	1,741	6,971
Total Maintenance Changes	54	0	54
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	20	20
2. Central Service Agency Charges	7	0	7
3. Federal Funding Adjustment	427	-427	0
4. Clark County Visits	34	0	34
5. Expansion of Jurisdiction	59	0	59
Total Policy Changes	527	-407	120
2005-07 Revised Appropriations	5,811	1,334	7,145
Fiscal Year 2006 Total	2,779	698	3,477
Fiscal Year 2007 Total	3,032	636	3,668

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Federal Funding Adjustment** - One-time funding is provided for projected federal funding revenue shortfalls in FY 2006 and FY 2007 based on revised case closure rate estimates. (General Fund-State, General Fund-Federal)
4. **Clark County Visits** - Funding is provided to reinstate monthly visits to Vancouver by a Human Rights Commission investigator.
5. **Expansion of Jurisdiction** - Funding is provided to implement Chapter 4, Laws of 2006 (ESHB 2661), which expands the jurisdiction of the Human Rights Commission.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	32,817	32,817
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	78	78
2. Central Service Agency Charges	0	28	28
Total Policy Changes	0	106	106
2005-07 Revised Appropriations	0	32,923	32,923
Fiscal Year 2006 Total	0	16,176	16,176
Fiscal Year 2007 Total	0	16,747	16,747

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	19,611	19,611
Total Maintenance Changes	0	0	0
Policy Changes			
1. Prosecuting Attorney Training	0	71	71
2. Pension Plan 1 Unfunded Liabilities	0	16	16
3. Central Service Agency Charges	0	9	9
4. Missing Persons	0	163	163
5. Additional Academies	0	851	851
6. Rural Drug Task Forces	0	1,575	1,575
7. Victim Notification System	0	411	411
8. Sex Offender Policy Workgroup	0	132	132
Total Policy Changes	0	3,228	3,228
2005-07 Revised Appropriations	0	22,839	22,839
Fiscal Year 2006 Total	0	10,240	10,240
Fiscal Year 2007 Total	0	12,599	12,599

Comments:

1. **Prosecuting Attorney Training** - Funding is provided for additional training services offered by the Washington Association of Prosecuting Attorneys. (Public Safety and Education Account-State)
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Missing Persons** - Funding is provided to implement Chapter 102, Laws of 2006 (2SHB 2805), which directs the Washington Association of Sheriffs and Police Chiefs (WASPC) to create and maintain a statewide public website for the posting of information regarding missing persons. (Public Safety and Education Account-State)
5. **Additional Academies** - One-time funding is provided for the Criminal Justice Training Commission to increase the number of Basic Law Enforcement Academy training sessions from eight to twelve. Additionally, funding is provided for the Commission to hire two additional training officers. The Commission will conduct a survey of local law enforcement and state agencies to collect data projecting future cadet enrollments for the 2007-09 biennium and will report back to the Legislature by October 1, 2006. (Public Safety and Education Account-State)
6. **Rural Drug Task Forces** - Funding is provided to implement a pilot for rural narcotics task forces. As detailed in Chapter 339, Laws of 2006 (E2SSB 6239), three task forces will be established in the northeast, southeast, and southwest areas of the state. Funding in the amount of \$675,000 is provided to the Washington Association of Prosecuting Attorneys to provide each area with enough funding for two additional prosecutors and an additional clerk, for a total of six prosecutors and three clerks. An additional \$900,000 is provided to WASPC to provide each area with four additional sheriff's deputies, for a total of 12 deputies. (Public Safety and Education Account-State)
7. **Victim Notification System** - Funding is provided to WASPC for implementation of a victim information and notification system. WASPC will report to the Legislature by December 1, 2006, regarding the status of federal funds to operate the system. (Public Safety and Education Account-State)
8. **Sex Offender Policy Workgroup** - Funding is provided to implement Chapter 137, Laws of 2006 (SSB 6320), which directs WASPC to convene a work group to develop a model policy on sex offenders. (Public Safety and Education Account-State)

Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	15,202	510,644	525,846
Total Maintenance Changes	27	2,844	2,871
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	1,059	1,059
2. Classification Revisions	0	-4	-4
3. Central Service Agency Charges	3	539	542
4. Contracting and Remodeling Info	10	0	10
5. Domestic Water Pumping Systems	0	116	116
6. Electrical Inspectors	0	872	872
7. Family and Medical Leave Act	0	31	31
8. New Technology to Combat Fraud	0	1,174	1,174
9. Agricultural Workers	0	406	406
10. Agriculture Cholinesterase Funding	0	1,600	1,600
11. Electrical Trainees (SHB 1841)	0	83	83
12. Crime Victims Compensation Payments	0	1,783	1,783
13. National Provider Identification	0	510	510
14. Crime Victims-Unsecured Loads	0	236	236
15. Governor Veto	-10	-406	-416
Total Policy Changes	3	7,999	8,002
2005-07 Revised Appropriations	15,232	521,487	536,719
Fiscal Year 2006 Total	7,561	255,193	262,754
Fiscal Year 2007 Total	7,671	266,294	273,965

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Contracting and Remodeling Info** - Funding is provided for the Department to prepare an informational brochure on RCW 60.04.250, with an intended audience of residential homeowners and small business owners to provide information regarding laws on contracting for new construction and remodeling construction work. The brochures will be made available on the Department's web page, to local government building departments, and at other locations determined by the Department. The Governor vetoed this appropriation (see veto item below).
5. **Domestic Water Pumping Systems** - One-time funding is provided to implement Chapter 185, Laws of 2006 (SSB 6225), which establishes an alternative certification and licensure process for the plumbing and electrical aspects of businesses installing and maintaining pumps in domestic well water systems. (Electrical License Account-State, Plumbing Certificate Account-State)
6. **Electrical Inspectors** - Funding is provided for the Department to hire eight additional electrical inspectors. This will allow the Department to complete the majority of electrical inspection requests within 24 hours. Since FY 2001, the number of inspections requested per day has increased by 36 percent. (Electrical License Account-State)
7. **Family and Medical Leave Act** - Funding is provided to implement Chapter 59, Laws of 2006 (SSB 6185), which amended the Family and Medical Leave Act. (Accident Account-State, Medical Aid Account-State)
8. **New Technology to Combat Fraud** - Funding is provided to implement additional fraud detecting technology, known as the Employer Audit Technology and Referral System, by July of 2007. The new system will allow for automation of several auditing tasks currently performed manually. The cost to build

Department of Labor and Industries

and implement the new system will be recovered in the first year of its use (FY 2008) and will produce ongoing benefits. One-time costs are \$662,000. (Accident Account-State, Medical Aid Account-State)

functions and procedures listed in the proviso within existing funds. (General Fund-State, Accident Account-State)

9. **Agricultural Workers** - Funding is provided for House Bill 2623 (Agricultural Workers). This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).
10. **Agriculture Cholinesterase Funding** - Funding is provided for agricultural growers impacted by the cholinesterase monitoring regulation. The funding is to defray the cost of medical monitoring by health care providers and blood testing by the state public health lab. (Accident Account-State)
11. **Electrical Trainees (SHB 1841)** - Funding is provided to implement Chapter 224, Laws of 2006 (SHB 1841), which modifies licensing requirements for electricians.
12. **Crime Victims Compensation Payments** - Additional funding is provided for two items in the Crime Victims Compensation Program. First, by statute, the Crime Victims Compensation Program's rates for inpatient hospitalization cannot be lower than those paid by the Department of Social and Health Services. The rates for the Medicaid program were increased in the 2005-07 biennium. Second, funding is provided to restore the program's reimbursement rates for mental health care to worker's compensation rates beginning in FY 2007. (Public Safety and Education Account-State)
13. **National Provider Identification** - Funding is provided for the Department to implement the national provider identification code throughout its medical claims computer systems. The federal Health Insurance Portability and Accountability Act requires the use of a national provider identification code for medical providers by May 2007. The costs to hire computer contractors are one time, but there will be ongoing costs of \$129,000 for mainframe usage and data storage. (Public Safety and Education Account-State, Medical Aid Account-State)
14. **Crime Victims-Unsecured Loads** - Funding is provided to implement Chapter 268, Laws of 2006 (HB 2612), which expands eligibility for the Crime Victims Compensation Program to victims of vehicular crimes resulting from failure to secure a load.
15. **Governor Veto** - The Governor vetoed two provisos of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), pertaining to the Department.

Section 217(13) provides \$406,000 of Accident Account-State to implement 2SHB 2462 (Agricultural Workers), which did not pass the Legislature during the 2006 session.

Section 217(17) provides \$10,000 of General Fund-State to the Department to prepare consumer information brochures on contracting for new construction or remodeling construction work. The Governor directs the Department to perform the

Indeterminate Sentence Review Board

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	2,188	0	2,188
Total Maintenance Changes	99	0	99
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	4	4
2. Central Service Agency Charges	2	0	2
3. Sentence Review Board	374	0	374
Total Policy Changes	376	4	380
2005-07 Revised Appropriations	2,663	4	2,667
Fiscal Year 2006 Total	1,092	0	1,092
Fiscal Year 2007 Total	1,571	4	1,575

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Sentence Review Board** - In accordance with Chapter 313, Laws of 2006, Partial Veto (EHB 3261), funding was provided to add two additional members to the Indeterminate Sentence Review Board and additional staff to support the Board. Additionally, the legislation directs the Board to provide opportunities for victims to testify when the Board conducts hearings to review "determinate-plus" sex offenders for possible release. In EHB 3261, the Governor vetoed the section of the bill that added the two members to the Board.

Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	25,915	60,143	86,058
Total Maintenance Changes	-5,346	5,618	272
Policy Changes			
1. Svc to Iraq & Afghanistan Returnees	500	0	500
2. Extension of Nursing Home Capacity	0	1,552	1,552
3. Pension Plan 1 Unfunded Liabilities	0	208	208
4. Classification Revisions	-4	0	-4
5. Central Service Agency Charges	91	2	93
6. Veterans' Conservation Corps	100	0	100
7. Estate Management Account	0	0	0
8. Veterans' Innovations Program	0	2,000	2,000
Total Policy Changes	687	3,762	4,449
2005-07 Revised Appropriations	21,256	69,523	90,779
Fiscal Year 2006 Total	10,011	32,719	42,730
Fiscal Year 2007 Total	11,245	36,804	48,049

Comments:

1. **Svc to Iraq & Afghanistan Returnees** - The Department of Veterans' Affairs has created a community-based network to assist returning Iraq and Afghanistan military personnel in applying for benefits and services. Funding is provided for 28 additional Family Activity Days where local veterans' groups inform returning veterans and their families of federal and state benefits and services for which they may be eligible. Funding is also provided for local veterans' service organizations to assist an estimated 1,500 additional veterans with federal benefit claims and for post-traumatic stress disorder treatment for approximately 130 new returnees.
2. **Extension of Nursing Home Capacity** - Funds are appropriated to provide skilled nursing facility services to 40 additional people at the Washington Veterans' Home in Retsil. The additional cost of this service is projected to be covered by resident contributions toward the cost of their care and by reimbursements from the federal Medicare, Medicaid, and Veterans' Services programs. (General Fund-Federal, General Fund-Private/Local)
3. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
4. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
5. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
6. **Veterans' Conservation Corps** - Funding is provided to assist veterans with transportation expenses and with the purchase of work clothing and tools needed for them to participate in the Veterans' Conservation Corps established pursuant to Chapter 257, Laws of 2005 (SSB 5539).
7. **Estate Management Account** - Under agreement with the federal Department of Veterans' Affairs, the state provides protective payee and other fiduciary services for veterans who are unable to manage their federal pension benefits. The costs of this service are covered by fees collected from the veteran's benefits. To comply with federal requirements, a new dedicated account is established to track fee collections and disbursements. (General Fund-Local, Veterans Estate Management Account-Local)
8. **Veterans' Innovations Program** - Funding is provided for the implementation of Chapter 343, Laws of 2006 (2SHB 2754 - Veterans' Innovations Program). The program will provide cash assistance to veterans returning from Iraq and Afghanistan and grants to locally-proposed innovative service programs. (Veterans' Innovations Account-State)

Home Care Quality Authority

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	2,012	1,034	3,046
Policy Changes			
1. Expansion of Referral Registry	112	0	112
2. Pension Plan 1 Unfunded Liabilities	0	2	2
3. Central Service Agency Charges	1	0	1
4. Federal Grant Technical Correction	0	133	133
Total Policy Changes	113	135	248
2005-07 Revised Appropriations	2,125	1,169	3,294
Fiscal Year 2006 Total	724	641	1,365
Fiscal Year 2007 Total	1,401	528	1,929

Comments:

1. **Expansion of Referral Registry** - Funding is provided for the Home Care Quality Authority to contract with additional local organizations to manage a computerized registry that links qualified home care workers with people in need of their services. There will be 14 such sites operating by the end of the biennium, resulting in statewide availability of the referral service.
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Federal Grant Technical Correction** - The Centers for Medicare and Medicaid Services provided a federal grant for the implementation of four referral registry sites. The total amount of grant funding was higher than originally anticipated and not all of the expenditure authority was used. The unspent portion of the grant is transferred to FY 2007. (General Fund-Federal)

Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	128,441	749,863	878,304
Total Maintenance Changes	-1,963	17,859	15,896
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	599	599
2. Classification Revisions	11	16	27
3. Central Service Agency Charges	74	183	257
4. Family Planning Services	420	0	420
5. Reclaimed Water	27	0	27
6. Health Profession Background Checks	13	208	221
7. Health Care Declarations Registry	324	0	324
8. HIV Insurance Coverage Program	-59	0	-59
9. Health Care Liability Reform	432	21	453
10. Health Professions Discipline	0	96	96
11. Home Visits for Newborns	151	0	151
12. Midwifery Fees	115	0	115
13. Natl Healthcare Pract Databases	0	960	960
14. Pandemic Flu Monitoring	100	0	100
15. Pandemic Flu Preparedness	2,000	7,000	9,000
16. Health Professions Credentialing	0	325	325
17. Prostate Cancer Screening	50	0	50
18. New Vaccine Purchase	0	2,162	2,162
19. Combination Vaccines	0	1,875	1,875
20. WHPS Staffing	0	163	163
21. Health Disparities Council	173	0	173
22. Health Professional Survey	327	0	327
23. Health Impact Assessments	119	0	119
24. Hepatitis C Awareness	200	0	200
25. Methamphetamine Clean-Up	130	0	130
26. Breast & Cervical Cancer Screening	1,400	0	1,400
27. Infertility Prevention Project	100	0	100
28. Other Bills with Fiscal Impacts	104	301	405
29. Hospital Reporting System	1,100	-1,100	0
30. Governor Veto	-13	-208	-221
Total Policy Changes	7,298	12,601	19,899
2005-07 Revised Appropriations	133,776	780,323	914,099
Fiscal Year 2006 Total	62,835	379,660	442,495
Fiscal Year 2007 Total	70,941	400,663	471,604

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Family Planning Services** - Funding is provided to enhance existing non-citizen family planning pilot programs and to extend the program to include Okanogan and Skagit Counties.
5. **Reclaimed Water** - Funding is provided for the Department of Health (DOH) to assist the Department of Ecology in development and adoption of rules on reclaimed water.

Department of Health

6. **Health Profession Background Checks** - Funding is provided to implement Substitute House Bill 2431 (Background Checks/Health Care), which requires the Department to conduct background checks on all applicants for initial licenses to practice a health profession. In addition, the bill requires the Department to review federal health care provider data banks for any actions taken against health care providers licensed in Washington. This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below). (General Fund-State, Health Professions Account-State)
7. **Health Care Declarations Registry** - Funding is provided to implement the provisions of Chapter 108, Laws of 2006 (2SHB 2342 - Health Care Declarations), which requires the Department to establish and maintain a web-based statewide registry containing advance directives, medical powers of attorney, and physician orders regarding life-sustaining treatment that state residents submit for inclusion on the registry. Physicians and physicians' assistants are to have 24-hour access to the registry to assist with medical decision-making.
8. **HIV Insurance Coverage Program** - Savings were to have been achieved through passage of HB 2632 (HIV Insurance Coverage Program), which would have removed the limit on the number of Washington State Health Insurance Pool policies that can be subsidized by DOH's Evergreen Health Insurance Program. The bill was not enacted, so these savings will not occur.
9. **Health Care Liability Reform** - Funding is provided to implement Chapter 8, Laws of 2006 (2SHB 2292 - Health Care Liability Reform), which requires the Department to implement an adverse health events reporting and investigation system that is intended to facilitate quality improvement in the health care system, improve patient safety, and decrease medical errors. (General Fund-State, Health Professions Account-State)
10. **Health Professions Discipline** - Funding is provided to implement Chapter 99, Laws of 2006 (SHB 2974 - Health Profession Discipline), which enhances discipline efforts for the health professions by: 1) requiring the Department to adopt rules for all licensed health care providers to report unprofessional conduct; 2) prohibiting health care providers who have had their licenses revoked in another state from practicing in Washington until all disciplinary proceedings are complete; and 3) identifying the number of additional investigators and attorneys needed to respond to the health profession's disciplinary workload in biennial budget requests. (Health Professions Account-State)
11. **Home Visits for Newborns** - Funding is provided for a grant to the Kitsap County Health District. The funding will be used to increase the number of women who receive professional support after delivery through a home visit or telephone call by the county health district. In order to receive the state funds, the county health district must commit an equal amount of funding for this purpose.
12. **Midwifery Fees** - Funding is provided to reduce the fees charged to midwives for initial and renewed licenses to \$450 per year for the period from July 1, 2006, through June 30, 2007.
13. **Natl Healthcare Pract Databases** - To respond to the increase in the number of health care professionals moving into the state, the Department will begin checking the federal Healthcare Integrity and Protection Data Bank to determine if action has been taken against an applicant's license in another state. This will decrease the risk of licensing a practitioner who has a history of complaints or malpractice in another state. (Health Professions Account-State)
14. **Pandemic Flu Monitoring** - Additional resources are provided to increase the state public health laboratory's capacity to monitor and detect pandemic flu activity. These resources will improve surveillance for unusual types of influenza; enable rapid molecular testing to identify influenza strains; and assist with development of advanced influenza tracking and reporting systems.
15. **Pandemic Flu Preparedness** - Funds are provided for state and local health departments to develop and implement comprehensive plans for responding to a pandemic flu, as provided in Chapter 63, Laws of 2006 (ESSB 6366 - Preparation and Response to Pandemic Influenza). (General Fund-State, General Fund-Federal)
16. **Health Professions Credentialing** - Funding is provided to increase the Department's ability to promptly issue credentials in the high-volume nursing and health care assistant licensing areas. Despite productivity gains and efficiencies, backlogs have developed in both professional areas due to large increases in the number of persons seeking licensure. (Health Professions Account-State)
17. **Prostate Cancer Screening** - Funding is provided to implement a prostate cancer public awareness and education campaign that targets men over age 40, African-American men, and men who are at high risk for prostate cancer according to the guidelines of the American Cancer Society.
18. **New Vaccine Purchase** - Funding is provided to add varicella to the regimen of vaccinations needed for child care or school entry and to include two new vaccines on the schedule of routinely-recommended childhood vaccines. The State Board of Health has adopted the new child care and school entry requirements for varicella vaccination because Washington's varicella (chicken pox) immunization rate lags behind other states, resulting in higher risks for older children and adults who typically experience more severe health consequences from the disease. Adolescent meningococcal vaccine is being added to the recommended schedule of vaccinations because the disease results in death or permanent disability for 20-30 percent of those who contract it. The new combination adolescent tetanus/diphtheria/acellular pertussis (Tdap) vaccine is being added to the schedule in order to increase adolescent immunity to pertussis (whooping cough), thus

Department of Health

reducing the risk of contagion of very young children, for whom the disease can have severe health consequences. (Health Services Account-State)

19. **Combination Vaccines** - Funds are provided to add one or more combination vaccines to the state's universal access to childhood immunizations program. Under the schedule of recommended childhood immunizations, infants two to six months of age need to receive 14 separate injections. New combination vaccines reduce that number by over one-third. The particular combination vaccine or vaccines to be added to the program will be selected after a clinical and cost-effectiveness review by the state vaccine advisory committee. (Health Services Account-State)
20. **WHPS Staffing** - The Washington Health Professional Services (WHPS) was created in 1990 as a multi-disciplinary monitoring program for health professionals whose ability to practice is impaired by chemical dependencies. Due to steady growth in the number of professionals enrolled in the program, current workloads for case managers are too high resulting in reduced program access and effectiveness. Funding is provided to reduce the average caseload per worker by one-third, from 194 to 127 cases. (Health Professions Account-State)
21. **Health Disparities Council** - Funds are provided for the Washington State Board of Health to support the work of the Governor's Interagency Council on Health Disparities. As provided in Chapter 239, Laws of 2006 (2SSB 6197 - Health Disparities Council), the Council will develop an action plan to eliminate racial differences in health access and health outcomes by 2012.
22. **Health Professional Survey** - As provided in Chapter 236, Laws of 2006 (2SSB 6193 - Health Professions Workforce Supply), funds are provided to conduct a survey of licensed health professionals in order to gather more complete and up-to-date information regarding health workforce age, race, practice statistics, and practice location. The results will be used to support planning efforts by the Interagency Council on Health Disparities and by the Workforce Training and Education Coordinating Board. The survey work and analysis will be completed in FY 2008.
23. **Health Impact Assessments** - As provided in Chapter 239, Laws of 2006 (2SSB 6197 - Health Disparities Council), funds are provided for the State Board of Health to conduct systematic reviews of the extent to which proposed public policies or practices would improve or would exacerbate health disparities. The reviews are to be conducted at the request of the Interagency Council on Health Disparities or members of the Legislature, to the extent resources are available.
24. **Hepatitis C Awareness** - Funds are provided for DOH to develop and maintain a database that will track the statewide incidence and cause of Hepatitis C infections and to conduct a public information campaign on transmission, prevention, detection, and treatment of the disease.
25. **Methamphetamine Clean-Up** - As provided in Chapter 339, Laws of 2006 (E2SSB 6239 - Reducing Crime), funds are provided for DOH to annually evaluate a number of methamphetamine laboratory decontamination projects to assess the adequacy of the decontamination work performed by licensed contractors.
26. **Breast & Cervical Cancer Screening** - State funds are provided to increase by 23 percent the number of low-income, uninsured women screened through the Washington Breast and Cervical Health Program.
27. **Infertility Prevention Project** - Funds are provided for increased screening and treatment services in a community with a particularly high incidence of chlamydia and gonorrhea.
28. **Other Bills with Fiscal Impacts** - Funds are provided for implementation of Chapter 72, Laws of 2006 (ESHB 1850 - Volunteer Medical Workers); Chapter 221, Laws of 2006 (SHB 2985 - Foster Care Health Unit); and Chapter 237, Laws of 2006 (ESB 6194 - Multicultural Education). (General Fund-State, Health Professions Account-State)
29. **Hospital Reporting System** - The Comprehensive Hospital Accounting and Reporting System (CHARS) provides standardized information regarding the volume and type of care provided, costs, and revenues of all hospitals in the state. The reporting system has for many years been funded by a fee assessed on hospital revenues. Due to a technical drafting problem in the 1995 amendments to the statutes governing hospital charity care and reporting, a superior court has found that DOH's statutory authority to assess fees is limited to only those aspects of the system related to the provision of charity care by hospitals. In order to assure continued operation of the system, state funds are provided to replace the lost fee revenues. (General Fund-State, Hospital Commission Account-State)
30. **Governor Veto** - The Governor vetoed Section 221(25) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provided funding for the implementation of SHB 2431 (Background Checks/Health Care). Therefore, funding in the amount of \$221,000 lapses. (General Fund-State, Health Professions Account-State)

Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,390,181	32,456	1,422,637
Total Maintenance Changes	37,177	-977	36,200
Policy Changes			
1. Offender Management Network (OMNI)	11,250	0	11,250
2. Pension Plan 1 Unfunded Liabilities	0	3,038	3,038
3. Classification Revisions	49	0	49
4. Central Service Agency Charges	1,040	0	1,040
5. Community Based DOSA	3,231	0	3,231
6. Farrakhan Lawsuit	326	0	326
7. Failure to Register	1,134	0	1,134
8. Crimes with Sexual Motivation	384	0	384
9. Child Pornography Possession	91	0	91
10. Mentally Ill Offender Council	35	0	35
11. Drug Policy Legislation	1,471	0	1,471
Total Policy Changes	19,011	3,038	22,049
2005-07 Revised Appropriations	1,446,369	34,517	1,480,886
Fiscal Year 2006 Total	698,772	16,060	714,832
Fiscal Year 2007 Total	747,597	18,457	766,054

Comments:

1. **Offender Management Network (OMNI)** - Beginning in the 1999-01 biennium, the Department of Corrections (DOC) initiated a multi-phase project to replace its Offender-Based Tracking System (OBTS), which is the primary information system used by the Department to track and manage roughly 18,000 incarcerated offenders and 25,600 offenders in the community. Funding is provided for the third and final phase of the project to replace OBTS with the new Offender Management Network Information (OMNI) system, which is expected to reduce staff data entry efforts, improve reporting capabilities, and redirect staff time toward offender supervision. In addition, \$6 million in existing funding is shifted from FY 2006 to FY 2007 to account for project delays. The total cost of the OMNI project has now been estimated at \$50 million.
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
4. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
5. **Community Based DOSA** - Chapter 460, Laws of 2005 (E2SHB 2015), authorized the establishment of a community-based Drug Offender Sentencing Alternative (DOSA). Offenders sentenced under a community-based DOSA receive a term of community custody in lieu of a prison term and must complete a certified residential treatment program for a period of three to six months. The legislation is expected to save the state 36 prison beds in FY 2007. Funding is provided to cover additional expenditures incurred by the Department in implementing the new law, including costs for securing 100 residential treatment beds and for conducting court-ordered chemical dependency examinations.
6. **Farrakhan Lawsuit** - Funding is provided for expected Attorney General costs associated with *Farrakhan v. Locke*, an inmate class action lawsuit related to voting rights and the election processes administered by the Secretary of State.
7. **Failure to Register** - Funding is provided to implement Chapter 128, Laws of 2006 (2SSB 6319), which increases criminal penalties for failure to register as a sex offender, resulting in a mandatory prison term for second and subsequent convictions of this offense. In addition, offenders sentenced to a term of confinement for one year or less for a first time conviction of failure to register as a sex offender are required to serve a minimum term of community custody from 36 to 48 months, rather than serving up to 12 months on community custody. These changes are expected to increase the prison

Department of Corrections

population by 44 beds in FY 2007, increasing to 561 beds over the course of the next ten years.

8. **Crimes with Sexual Motivation** - Funding is provided to implement Chapter 123, Laws of 2006 (2SSB 6460), which requires courts to add additional time to a felony offender's standard sentence if the offender committed his or her crime with sexual motivation. The sentencing enhancements for crimes committed with sexual motivation include: 24 months for a class A felony; 18 months for a class B felony; and 12 months for a class C felony. A court must double the amount of time added to the sentence if the offender was subject to the sexual motivation enhancement in a previous conviction.
9. **Child Pornography Possession** - Funding is provided to implement Chapter 139, Laws of 2006 (2SSB 6172), which increases criminal penalties for voyeurism, possession of depictions of a minor engaged in sexually explicit conduct, communicating with a minor for immoral purposes when such communication is made via an electronic communication, and designates possession of depictions of a minor engaged in sexually explicit conduct as a sex offense.
10. **Mentally Ill Offender Council** - Funding is provided in FY 2007 for the establishment and support of a statewide council on mentally ill offenders that includes as its members representatives of community-based mental health treatment programs, current or former judicial officers, and directors and commanders of city and county jails and state prison facilities. The council will begin to investigate and promote cost-effective approaches to meeting the long-term needs of adults and juveniles with mental disorders who have a history of offending or who are at risk of offending including their mental health, physiological, housing, employment, and job training needs.
11. **Drug Policy Legislation** - Funding is provided to implement the criminal sanctions and substance abuse-related components of Chapter 339, Laws of 2006 (E2SSB 6239), which provides an additional 100 placements for therapeutic drug and alcohol treatment in prison; authorizes courts to order pre-sentence chemical dependency screenings when the court finds that a felony offender had a chemical dependency that contributed to his or her offense; establishes a mandatory minimum confinement term of 12 months for offenders serving a prison-based DOSA; and specifies that all sentencing enhancements related to violations of the Uniform Controlled Substance Act in drug-free zones are to be run consecutively, instead of concurrently, to all other sentencing provisions.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	1998	1999	2000	2001	2002	2003	2004	2005	Estimated	
									2006	2007
Community Supervision ^{(1) (2)}										
# Active (Non-Monetary) Offenders	30,600	31,252	30,871	30,365	33,831	36,765	32,685	29,190	25,727	25,505
% Change from prior year		2.1%	-1.2%	-1.6%	11.4%	8.7%	-11.1%	-10.7%	-11.9%	-0.9%
Work Release										
Avg Daily Pop/Month	612	636	642	656	654	642	675	657	674	674
% Change from prior year		3.9%	0.9%	2.2%	-0.4%	-1.8%	5.1%	-2.7%	2.6%	0.0%
Institutions ⁽³⁾										
Avg Daily Pop/Month	12,694	14,265	13,910	14,386	14,808	15,702	16,061	16,732	17,165	17,584
% Change from prior year		12.4%	-2.5%	3.4%	2.9%	6.0%	2.3%	4.2%	2.6%	2.4%
Average Cost Per Inmate ^{(4) (5)}										
Annual	22,986	22,849	23,775	24,685	25,447	25,924	26,736	27,193	27,727	28,632
% Change from prior year		-0.6%	4.1%	3.8%	3.1%	1.9%	3.1%	1.7%	2.0%	3.3%

⁽¹⁾ Data reflect average monthly caseloads. These data are not comparable with caseloads published in prior editions of the Legislative Budget Notes, which measured end-of-year caseloads.

⁽²⁾ Accounting issues at the Department of Corrections may have overcounted active caseloads.

⁽³⁾ For FY 2004 through FY 2007, institutional counts include beds rented from other jurisdictions.

⁽⁴⁾ The FY 2005 average cost per inmate does not include funds paid toward the Stamey and Arrasmith lawsuit settlements.

⁽⁵⁾ FY 2005 through FY 2007 average cost per inmate does not include start-up costs for expansion at the Monroe Corrections Center or the Washington State Penitentiary.

Data Source :

Caseload Forecast Council, Department of Corrections, and legislative fiscal staff.

Department of Services for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,826	17,197	21,023
Total Maintenance Changes	170	5	175
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	28	28
2. Classification Revisions	0	-1	-1
3. Central Service Agency Charges	3	11	14
Total Policy Changes	3	38	41
2005-07 Revised Appropriations	3,999	17,240	21,239
Fiscal Year 2006 Total	2,037	8,424	10,461
Fiscal Year 2007 Total	1,962	8,816	10,778

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Sentencing Guidelines Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,725	0	1,725
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	4	4
2. Central Service Agency Charges	2	0	2
Total Policy Changes	2	4	6
2005-07 Revised Appropriations	1,727	4	1,731
Fiscal Year 2006 Total	864	0	864
Fiscal Year 2007 Total	863	4	867

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	120	530,296	530,416
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	875	875
2. Classification Revisions	0	-3	-3
3. Central Service Agency Charges	0	560	560
4. Unemployment Fraud Detection	0	1,881	1,881
5. Unemployment Insurance Adjustment	0	106	106
6. Unemployment Contribution Rate	0	377	377
Total Policy Changes	0	3,796	3,796
2005-07 Revised Appropriations	120	534,092	534,212
Fiscal Year 2006 Total	60	264,203	264,263
Fiscal Year 2007 Total	60	269,889	269,949

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Unemployment Fraud Detection** - Funding is provided for the Department to enhance fraud detection within the unemployment insurance system. A new fraud detection unit is created that will identify, prosecute, and collect from people who file inaccurate or fraudulent unemployment claims that result in overpayments. The Department also will pursue employers who do not pay their unemployment insurance taxes. It is anticipated this investment will generate approximately \$14.2 million in revenue for the Administrative Contingency and Unemployment Insurance Trust accounts during FY 2007. (Administrative Contingency Account-State)
5. **Unemployment Insurance Adjustment** - Funding is provided to implement modifications to the unemployment insurance system, as specified in Chapter 13, Laws of 2006 (ESSB 6885).
6. **Unemployment Contribution Rate** - Funding is provided to implement Chapter 47, Laws of 2006 (SSB 6359), which modifies the process used by the Department to determine if employers are evading their unemployment contribution rates through State Unemployment Tax Act dumping. The penalty for employers engaged in this activity is increased. (Unemployment Compensation Administration Account-Federal)

Natural Resources

Department of Ecology

Puget Sound Cleanup

Funding is provided for Puget Sound cleanup and pollution prevention, which include the following items:

- \$0.7 million to prioritize and cleanup the 115 known contaminated sites that lie adjacent to and within one-half mile of Puget Sound. (State Toxics Control Account)
- \$0.8 million to implement a state oil transfer inspection program that will inspect at least 35 percent of the more than 9,600 oil transfer operations performed each year. (Oil Spill Prevention Account-State)
- \$0.5 million to implement pollution source control measures in the Lower Duwamish Waterway in support of a multi-party cleanup effort, as well as coordinate source control and cleanup of state-owned aquatic lands and adjacent uplands around Puget Sound. (State Toxics Control Account)
- \$0.2 million for early hazardous material spill response and to address the potential for hazardous materials releases from transportation, oil refining activities, and pipelines in areas in and adjacent to Puget Sound. (States Toxics Control Account)

Hanford Cleanup Priority Act

The Cleanup Priority Act (CPA) was passed by Washington State voters in 2004 and requires the Department to undertake specific actions for the cleanup of the Hanford Nuclear Reservation. The CPA was challenged in court by the federal government. Funding of \$2.9 million is provided for legal defense costs and to implement the CPA in the event the court case is resolved this summer.

Columbia River

\$2.0 million in funding is provided to the Department to implement Chapter 6, Laws of 2006 (E2SHB 2860), which creates a new chapter to guide the appropriation of Columbia River main stem water, creates the Columbia River Basin Water Supply Development Account, and requires studies, data collection, and inventories on water issues in the Columbia River basin. One-time funding of \$0.2 million is also provided to address air quality issues in the Columbia River Gorge in cooperation with the state of Oregon.

State Parks & Recreation

Backfill Parking Fees

A total of \$3.1 million is provided to fully mitigate the impact of discontinuing the collection of state parks' parking fees.

Parks Maintenance and Repair

One-time funding of \$0.7 million is provided for repair and maintenance costs at state parks.

Department of Fish and Wildlife

Salmon Marking and Research

Funding of \$5.4 million is provided to mass-mark fish at hatcheries that produce chinook salmon to meet the requirements of the endangered species act. In addition, funding is provided to research the impacts of contaminants on resident chinook and ground fish.

Increase Fish Production

One-time funding of \$0.5 million is provided to increase fish production levels at state-operated fish hatcheries. The Department is required to submit a report to the Legislature documenting the increased production levels by July 31, 2007.

Puget Sound Nearshore Ecosystem Restoration

Funding of \$0.5 million is provided for a state match for the Puget Sound Nearshore Ecosystem Restoration Project, which is a feasibility study to analyze large-scale restoration actions to protect and restore the Puget Sound ecosystem. The study will be used to prioritize a list of projects across Puget Sound for submission to the U.S. Army Corps of Engineers and to Congress for funding.

Department of Natural Resources

Geologic Hazards Program

Funding of \$0.7 million is provided for the Department's geological survey to conduct and maintain an assessment of the volcanic, seismic, landslide, and tsunami hazards in Washington. Ongoing funding and staffing are provided to research and map earthquake and landslide hazards throughout Washington.

Puget Sound Cleanup

In cooperation with the Department of Ecology, the Department is provided with \$0.09 million to target contaminated aquatic sites where early cleanup and source-control actions will allow for restoration of state resources, to include geoduck and other shellfish/habitat.

Regulation of Surface Mines

Appropriation authority of \$1.0 million is provided to implement Chapter 341, Laws of 2006 (E2SSB 6175), which authorizes the Department to collect surface mining and reclamation permit fees to cover program costs.

Department of Agriculture

Renewable Fuel/Biodiesel

Funding of \$0.14 million is provided to implement Chapter 338, Laws of 2006 (ESSB 6508), which establishes minimum fuel content requirements for biodiesel and ethanol of at least 2 percent by 2008. Ongoing funding of \$0.15 million is also provided for a multi-agency effort to promote the development of a bioenergy industry in Washington.

Pandemic Avian Flu Monitoring and Outreach

Domesticated bird populations are potential carriers of various pandemic flu strains that may be transmitted to humans. Funding of \$0.1 million is provided to increase the state's ability to detect and monitor pandemic flu activity.

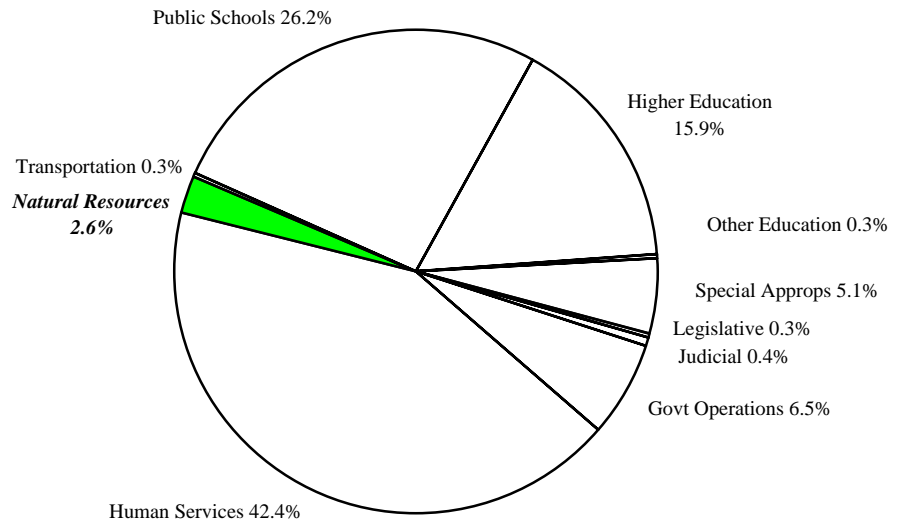
Puget Sound Action Team

Hood Canal Study

Funding of \$0.3 million is provided for the Puget Sound Action Team, in coordination with the Hood Canal Coordinating Council, to contract for the initial phase of a two-part study to improve data and knowledge on nitrogen loading and removal from systems in Hood Canal.

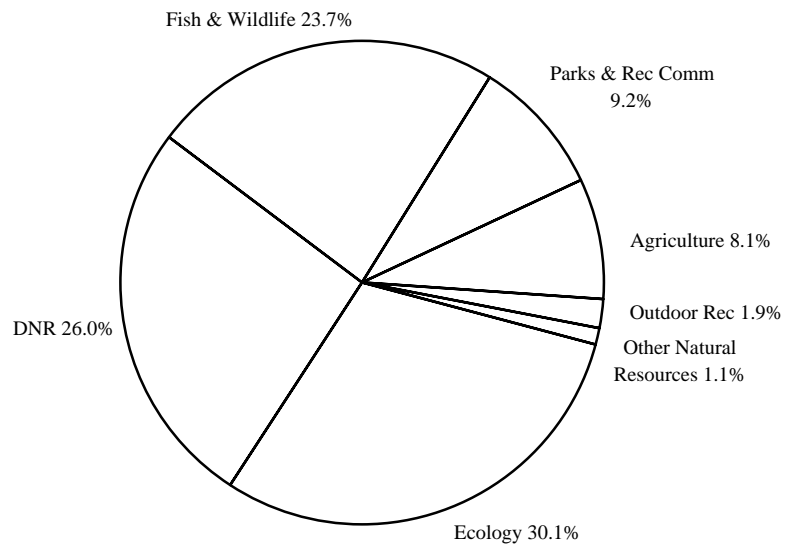
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
Statewide Total	51,288,737



Washington State

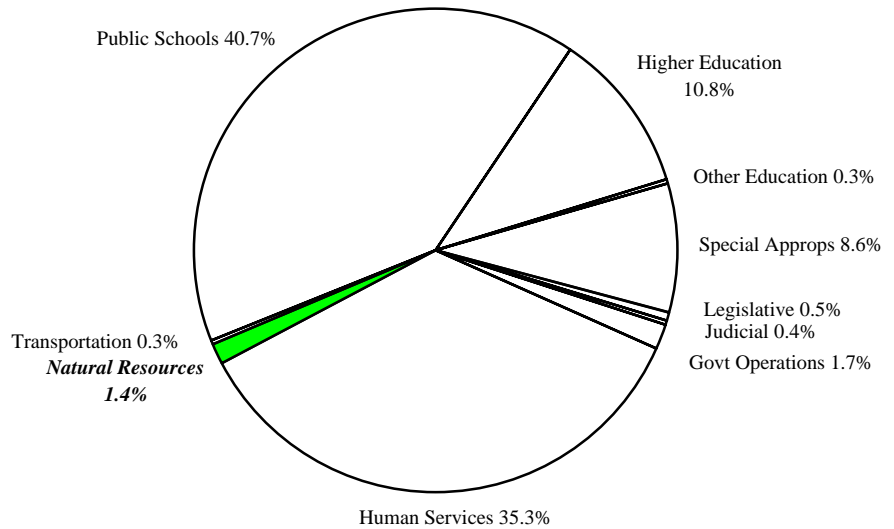
Dept of Ecology	402,801
Dept of Natural Resources	349,040
Dept of Fish & Wildlife	317,735
Parks & Recreation Comm	122,712
Dept of Agriculture	107,986
Outdoor Recreation	25,114
Other Natural Resources	14,871
Natural Resources	1,340,259



Natural Resources

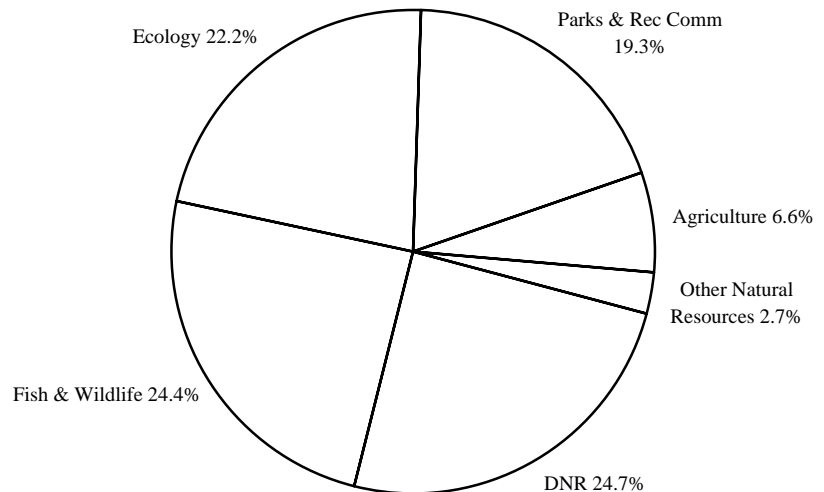
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
<i>Natural Resources</i>	<i>382,648</i>
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

Dept of Natural Resources	94,472
Dept of Fish & Wildlife	93,548
Dept of Ecology	84,875
Parks & Recreation Comm	74,021
Dept of Agriculture	25,250
Other Natural Resources	10,482
<i>Natural Resources</i>	<i>382,648</i>



Natural Resources

Columbia River Gorge Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	949	859	1,808
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	4	4
2. Central Service Agency Charges	<u>1</u>	<u>1</u>	<u>2</u>
Total Policy Changes	1	5	6
2005-07 Revised Appropriations	950	864	1,814
Fiscal Year 2006 Total	471	429	900
Fiscal Year 2007 Total	479	435	914

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General-fund State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Department of Ecology

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	80,692	308,066	388,758
Total Maintenance Changes	341	204	545
Policy Changes			
1. Accelerate Cleanup	0	730	730
2. Pension Plan 1 Unfunded Liabilities	0	685	685
3. Classification Revisions	-1	-42	-43
4. Central Service Agency Charges	110	181	291
5. Tribal Water Rights Mediation	150	0	150
6. Covered Electronic Products	0	475	475
7. Pesticide Container Recycling	0	130	130
8. Brominated Flame Retardants	0	48	48
9. Reclaimed Water	196	0	196
10. Walla Walla ESA Response	100	0	100
11. Long Lake Restoration	200	0	200
12. Wenatchee River TMDL	25	0	25
13. CBRNE/Hazmat Response	0	150	150
14. Columbia River Basin	2,000	0	2,000
15. Air Quality at Columbia River Gorge	205	0	205
16. Domestic Water Users	67	0	67
17. WA Farm Forestry Association	250	0	250
18. Wetlands Classification	340	0	340
19. Cleanup Priority Act Implementation	0	2,405	2,405
20. Cleanup Priority Act Legal Defense	0	546	546
21. Hanford Groundwater Modeling	0	120	120
22. Enhance Puget Sound Cleanups	0	521	521
23. Superfund Cleanup Site Operation	0	375	375
24. Hazardous Material Spill Response	0	201	201
25. Hazardous Waste Compliance	0	580	580
26. Air Permit Technical Correction	0	232	232
27. Water Quality Loan Capacity	0	428	428
28. Stream Gaging Cooperative Program	0	125	125
29. Construction Stormwater Permits	0	434	434
30. Green House Gas Inventory & Econ	200	0	200
31. Puget Sound Oil Transfer Inspection	0	820	820
32. Flood Control Emergency Grant Funds	0	335	335
33. Waste to Fuels Technology	0	225	225
34. Governor Veto	0	-48	-48
Total Policy Changes	3,842	9,656	13,498
2005-07 Revised Appropriations	84,875	317,926	402,801
Fiscal Year 2006 Total	40,744	156,451	197,195
Fiscal Year 2007 Total	44,131	161,475	205,606

Comments:

- 1. Accelerate Cleanup** - Funding is provided for the Department of Ecology (DOE) to prioritize and accelerate the cleanup of 115 known contaminated sites that lie adjacent to and within one-half mile of Puget Sound. In addition to new staff provided this biennium, the Department will re-prioritize existing cleanup staff and/or contract for services for this activity. (State Toxics Control Account-State)
- 2. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in

Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General-Fund State are paid from the newly-established Pension Funding Stabilization Account. (various funds)

- 3. Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
- 4. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and

Department of Ecology

the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

5. **Tribal Water Rights Mediation** - One-time funding is provided to develop a pilot water management process that will include three federally-recognized Treaty Indian Tribes.
6. **Covered Electronic Products** - Funding is provided to implement Chapter 183, Laws of 2006, Partial Veto (ESSB 6428). The bill authorizes the Department to create a collection, transportation, and recycling system for covered electronic products. Manufacturers will establish and pay for the system. (Electronic Products Recycling Account-Non Appropriated)
7. **Pesticide Container Recycling** - One-time funding is provided to support current pesticide container recycling activities in Washington State, which includes washing and chipping pesticide containers to prevent them from being burned or disposed of in landfills.
8. **Brominated Flame Retardants** - Funding is provided to implement Engrossed Second Substitute House Bill 1488. The bill bans the manufacture, sale, or distribution of most products containing more than 1 percent of Penta-BDE or Octa-BDE after January 1, 2007. In addition, the bill directs DOE and the Department of Health (DOH) to report to the Legislature by December 15, 2007, regarding the use of Deca-BDE in products, human health effects of exposure to Deca-BDE, and the availability of alternatives. This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).
9. **Reclaimed Water** - In coordination with DOH, ongoing funding is provided for DOE to adopt new standards for all aspects of reclaimed water. In adopting rules, the Departments must convene and consult with an advisory committee. DOE must adopt the rules in a phased approach: the first phase shall be proposed for adoption by June 1, 2007, and shall include the uses of constructed treatment wetlands; and the second phase shall be adopted by December 31, 2010.
10. **Walla Walla ESA Response** - One-time funding is provided for habitat conservation planning in Walla Walla related to Endangered Species Act (ESA) assurances for small irrigators and landowners.
11. **Long Lake Restoration** - One-time funding is provided for the restoration of Long Lake located in Kitsap County in accordance with an approved plan by the Kitsap County Weed Control Board, the county Commissioners, the Citizens for Improving Long Lake, and DOE.
12. **Wenatchee River TMDL** - One-time funding is provided for the Department to collaborate with the Wenatchee Watershed Planning Unit and Chelan County for development of a regulatory strategy, as required by the federal clean water act, to control total maximum daily loads (TMDL) of phosphorous to the Wenatchee River. A technically-sound plan for managing phosphorous and restoring water quality in the Wenatchee River shall be provided to the appropriate committees of the Legislature by July 1, 2008.
13. **CBRNE/Hazmat Response** - One-time funding is provided for the contracting and production of the second phase report for establishing sustainable statewide regional Chemical, Biological, Radiological, Nuclear, and Explosive Hazardous material (CBRNE/Hazmat) response capability. (Local Toxics Control Account-State)
14. **Columbia River Basin** - Ongoing funding is provided to implement Chapter 6, Laws of 2006 (E2SHB 2860). The bill creates a new chapter to guide the appropriation of Columbia River mainstem water, creates the Columbia River Basin Water Supply Development Account, and requires studies, data collection, and inventories on water issues in the Columbia River basin.
15. **Air Quality at Columbia River Gorge** - One-time funding is provided to address air quality issues in the Columbia River Gorge in cooperation with the state of Oregon.
16. **Domestic Water Users** - One-time funding is provided to implement Chapter 170, Laws of 2006 (SB 6861). The bill requires the Department to study and prepare a report to the Legislature by December 31, 2006, on ways the Department and affected stakeholders can better understand the competing interests of domestic surface water users and other users affected by a curtailment of domestic water rights that has been enacted by a court order.
17. **WA Farm Forestry Association** - One-time funding is provided for a pilot project that demonstrates the value of long-term management plans for small forest landowners.
18. **Wetlands Classification** - One-time funding is provided for the Department to support development of a wetland mitigation program in Clark County.
19. **Cleanup Priority Act Implementation** - The Cleanup Priority Act (CPA) passed by Washington State voters in 2004 requires the Department to undertake specific actions for the cleanup of Hanford. The CPA was challenged in court by the federal government and a final court ruling is pending. Currently, the state is restrained by a federal court order from implementing the CPA. If the case is resolved this summer, authority is provided for the Department to implement the CPA, which is funded by federal fees related to the Hanford Nuclear Reservation. (State Toxics Control Account-State)
20. **Cleanup Priority Act Legal Defense** - The CPA requires the Department to take specific actions for the cleanup of the Hanford Nuclear Reservation. Federal fees will pay for legal defense of this voter-approved initiative. (State Toxics Control Account-State)

Department of Ecology

21. **Hanford Groundwater Modeling** - The Department is responsible for state oversight of the cleanup and management of the Hanford Nuclear Reservation. To review and analyze several complex environmental documents currently being developed or modified by the United States Department of Energy, DOE will complete specialized groundwater modeling and risk assessments. Federal fees will procure contracted services to support the evaluation of the Hanford Solid Waste Environmental Impact Statement (EIS), Hanford Tank Waste EIS, Hanford Integrated Disposal Facility Permit risk analysis, and Hanford Tank Farms Closure Plan risk analysis. (State Toxics Control Account-State)
22. **Enhance Puget Sound Cleanups** - The Department will add cleanup staff to implement pollution source control measures in the Lower Duwamish Waterway in support of a multi-party cleanup effort, as well as coordinate source control and cleanup of state-owned aquatic lands and adjacent uplands around Puget Sound. (State Toxics Control Account-State)
23. **Superfund Cleanup Site Operation** - Under the Federal Superfund Law, the Environmental Protection Agency (EPA) cleans up contaminated sites for which there are no responsible parties to pay for the costs. After the cleanup is completed, these sites are transferred to states who are responsible for all costs associated with the continued site maintenance. Within the past year, two sites have been transferred to Washington State which require significant expenditures to fulfill the maintenance responsibilities. Maintenance will be conducted at Well 12A in Tacoma and Frontier Hardchrome in Vancouver. (State Toxics Control Account-State)
24. **Hazardous Material Spill Response** - The Department responds to hazardous materials spills and performs cleanups to ensure that standards for public health and environmental protection are met. Ecology has experienced an increase in reported hazardous materials spills over the past three years with an increase of over 300 reports a year occurring in the northwest counties. One additional spill responder is provided for the northwest region to support early response and address the potential for hazardous materials releases from transportation, oil refining activities, and pipelines in areas in and adjacent to Puget Sound. (State Toxics Control Account-State)
25. **Hazardous Waste Compliance** - The Department inspects businesses that generate hazardous wastes to ensure compliance with state laws. The agency also issues permits to facilities that treat, store, and/or dispose of hazardous wastes to ensure that they adequately protect public health and the environment. Additional staff are provided, which will result in an estimated additional 150 compliance/enforcement and corrective action activities to protect public health and to possibly avoid greater cleanup costs in the future. (State Toxics Control Account-State)
26. **Air Permit Technical Correction** - During the 2005-07 budget process, the Department requested a \$1.3 million reduction in the Air Operating Permit Account appropriation based upon a forecasted reduction in work using a statutorily-required workload model. However, the forecast did not anticipate the salary increases, benefit changes, and salary survey upgrades enacted by the 2005 Legislature. To provide a service level consistent with the workload model, additional permit fees will be collected to cover these increased costs from industrial and commercial facilities. (Air Operating Permit Account-State)
27. **Water Quality Loan Capacity** - Currently, the Department administers \$162.8 million in federal-state capital loans for wastewater treatment facilities. The EPA has made an additional \$10.7 million in one-time federal-state revolving capitalization grants available for FY 2007. As a result, additional oversight and administration and loan tracking services are provided to administer these loans for wastewater treatment facilities. (Water Pollution Control Revolving-State, Water Pollution Control Revolving-Federal)
28. **Stream Gaging Cooperative Program** - The Department works cooperatively with the United States Geological Survey in funding stream gages in Washington State. Stream gages provide data for water management, drought response, flood management, setting and meeting instream flows, and local government land use decisions. To meet the state match, one-time Reclamation Revolving Account funds are provided to maintain these cooperative gages during the current biennium. (Reclamation Account-State)
29. **Construction Stormwater Permits** - The federal Clean Water Act requires certain industries, individuals, and municipalities to have water quality discharge permits for their stormwater discharges. In November 2005, DOE will re-issue construction permits that will include new permit requirements for construction sites that are between one and five acres. Increased fees accompanying these permits will help to ensure that properly-managed stormwater discharges protects water quality, minimizes flooding, and protects habitat. (Water Quality Permit Account-State)
30. **Green House Gas Inventory & Econ** - Washington currently does not have a mechanism to provide current, detailed information about sources, volumes, or trends in greenhouse gases (GHG). To better inform future policy choices, ongoing funding is provided to inventory and categorize state GHG emission. The Department will also work with the University of Washington to complete an analysis of the economic impacts of climate change based on the latest scientific information.
31. **Puget Sound Oil Transfer Inspection** - Ongoing funding is provided to implement Chapter 316, Laws of 2006 (ESSB 6244). The bill requires the Department to conduct unannounced practice oil spill drills on vessels and to evaluate vessels' contingency plans; clarifies that fuel trucks must comply with ship refueling laws and rules; grants the Department the authority to require prior notice of oil transfers, to inspect oil transfers, and to require additional oil containment safeguards during oil transfers, as appropriate based on risk; and finally, grants the Department authority to require marine

Department of Ecology

fuel outlets to give semi-annual reports of the volume of oil they transfer. (Oil Spill Prevention Account-State)

32. **Flood Control Emergency Grant Funds** - The Department provides grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management plans. To make resources available to address local emergency flood control needs that may emerge during this biennium, the remaining fund balance from this account is provided. (Flood Control Assistance Account-State)
33. **Waste to Fuels Technology** - The Department will form a partnership with Washington State University to conduct research on markets, products, and bioenergy potential. Specific activities will include beginning a pilot project to convert solid waste to biogas through anaerobic digestion and to complete a biomass inventory. The project will include economic and technical assessments to help the public sector and private business complete bioenergy projects. (State Toxics Control Account-State)
34. **Governor Veto** - The Governor vetoed Section 302(16) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provided \$48,000 of the Toxics Control Account-State for implementation of E2SHB 1488 (Brominated Flame Retardants). The bill did not pass the Legislature during the 2006 session.

State Parks and Recreation Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	69,196	48,284	117,480
Total Maintenance Changes	766	111	877
Policy Changes			
1. Compensation/Retirement	304	0	304
2. Pension Plan 1 Unfunded Liabilities	0	239	239
3. Classification Revisions	-352	-40	-392
4. Central Service Agency Charges	85	37	122
5. Operating Costs/Exist Capital Proj	136	60	196
6. Repair and Maintain Parks	750	0	750
7. Parking Fee	3,136	0	3,136
Total Policy Changes	4,059	296	4,355
2005-07 Revised Appropriations	74,021	48,691	122,712
Fiscal Year 2006 Total	35,687	23,099	58,786
Fiscal Year 2007 Total	38,334	25,592	63,926

Comments:

1. **Compensation/Retirement** - Ongoing funding of \$204,000 is provided to correct a newly-identified compensation issue, and one-time funding of \$100,000 is provided for retirement buyouts anticipated in FY 2006.
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
4. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
5. **Operating Costs/Exist Capital Proj** - The State Parks and Recreation Commission (Parks) acquired the Sunrise Resort property through the Washington Wildlife and Recreation Program in March 2005. However, Parks included in the contract with the seller a provision allowing current resort users to use the park for three years after the sale free of cost. Parks estimates that 60 percent of the camp spots will be used by existing resort users and will not generate revenue from public use for the next three years. Ongoing funding is provided to operate this property, which includes a developed campground with 81 utility and 10 tent sites, located adjacent to Deception Pass State Park. (General Fund-State, Parks Renewal and Stewardship Account-State)
6. **Repair and Maintain Parks** - One-time funding is provided for repair and maintenance costs at state parks.
7. **Parking Fee** - Currently, Parks receives \$3.4 million per year from parking and general park access fees. According to Parks, the cost to collect fees is \$836,000 per year and requires 22 FTEs. Parks is prohibited from charging a fee for parking or for general park access. Funding is provided to compensate for lost fee revenue and provide for additional utility costs, less a portion of the cost and staff to collect fees.

Interagency Committee for Outdoor Recreation

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	2,815	23,168	25,983
Total Maintenance Changes	0	-995	-995
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	18	18
2. Central Service Agency Charges	3	5	8
3. Invasive Species Council	100	0	100
Total Policy Changes	103	23	126
2005-07 Revised Appropriations	2,918	22,196	25,114
Fiscal Year 2006 Total	1,401	11,013	12,414
Fiscal Year 2007 Total	1,517	11,183	12,700

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Invasive Species Council** - Funding is provided to implement Chapter 152, Laws of 2006 (ESSB 5385), which establishes the Invasive Species Council. The Council will develop and implement a statewide strategic plan that addresses: coordination and intergovernmental cooperation; prevention of new introduction, as well as, inventory and monitoring of invasive species; early detection and rapid response; and public education, research, and funding.

Environmental Hearings Office

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	2,121	0	2,121
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	5	5
2. Central Service Agency Charges	<u>2</u>	<u>0</u>	<u>2</u>
Total Policy Changes	2	5	7
2005-07 Revised Appropriations	2,123	5	2,128
Fiscal Year 2006 Total	1,057	0	1,057
Fiscal Year 2007 Total	1,066	5	1,071

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

State Conservation Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	4,488	4,175	8,663
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	5	5
2. Central Service Agency Charges	3	1	4
3. Federal Funding Adjustment	0	250	250
Total Policy Changes	3	256	259
2005-07 Revised Appropriations	4,491	4,431	8,922
Fiscal Year 2006 Total	2,235	2,204	4,439
Fiscal Year 2007 Total	2,256	2,227	4,483

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Federal Funding Adjustment** - Federal expenditure authority is provided to reflect the volume of federal grants anticipated during the 2005-07 biennium. During FY 2005 and FY 2006, the federal Natural Resources Conservation Service (NRCS) awarded a total of \$62,500 to the Commission for professional engineering services related to federally-funded conservation projects. The Commission anticipates that it will receive similar grants on a regular basis in the future and that the grant amounts will increase due to a reduction in NRCS staff in Washington State. (General Fund-Federal)

Department of Fish and Wildlife

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	90,221	212,290	302,511
Total Maintenance Changes	1,001	2,896	3,897
Policy Changes			
1. Maintain Hatchery Operations	113	112	225
2. Tunicate Infestation in Puget Sound	175	0	175
3. Pension Plan 1 Unfunded Liabilities	0	613	613
4. Classification Revisions	-16	-83	-99
5. Central Service Agency Charges	188	125	313
6. Co-Management Implementation	306	0	306
7. Chinook Salmon Marking-Add Auth	0	3,840	3,840
8. PS Nearshore Ecosystem Restoration	500	0	500
9. Habitat Harvest Data Mgmt & Access	0	700	700
10. Mitchell Act Fall Chinook Mass Mark	0	1,574	1,574
11. Winter Blackmouth Fishery Research	0	200	200
12. Predator Control	50	0	50
13. Education on Salmon Spawning	85	0	85
14. Habitat Conservation Planning	0	660	660
15. Fishery Sampling and Monitoring	76	0	76
16. Dive Attractions	50	0	50
17. Increase Fish Production	500	0	500
18. Disability Allowance	-9	-9	-18
19. Derelict Fishing Gear	100	0	100
20. Grizzly Bear Education	90	0	90
21. Nutria Eradication	75	0	75
22. Invasive Species Council	43	0	43
23. Turkey Tag	0	125	125
24. Habitat Conservation Plan Wildlife	0	544	544
25. Cross Base Highway Funding	0	350	350
26. PLP Authority	0	250	250
Total Policy Changes	2,326	9,001	11,327
2005-07 Revised Appropriations	93,548	224,187	317,735
Fiscal Year 2006 Total	46,692	110,070	156,762
Fiscal Year 2007 Total	46,856	114,117	160,973

Comments:

1. **Maintain Hatchery Operations** - Funding is provided in both the maintenance and policy level budget for increased fuel, utilities, and fish feed costs, as well as the loss of local mitigation funding from Tacoma City Light, so that the Department of Fish and Wildlife (DFW) will continue operating all of its hatcheries in FY 2007. Funding also supports lost local mitigation funding and allows the Department to continue operation and maintain production at the Nemah, Mossyrock, Omak, Colville, Arlington, and Columbia Basin hatcheries to ensure that hatcheries remain open in 2005-07. (General Fund-State, State Wildlife Account-State)

2. **Tunicate Infestation in Puget Sound** - Tunicates, commonly known as sea squirts, were identified by researchers last year in Puget Sound. These non-native marine animals are known to be established at three Puget Sound marinas and have the potential to spread rapidly throughout the Sound. As tunicates attach themselves to the hulls of boats they present a risk of spreading throughout Puget Sound. Once established, the

tunicate will out-compete native organisms for food and space, cause harm to the ecosystem, and potentially impact recreational and commercial activities in the Sound. The Department will use funds for tunicate eradication and will coordinate efforts with the Puget Sound Action Team (PSAT). The Department and PSAT will report back to the Governor and the Legislature by January 15, 2006, on the expenditure of these funds.

3. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)

Department of Fish and Wildlife

4. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
5. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
6. **Co-Management Implementation** - Funding is provided for the Department to coordinate and align state and tribal policies and management activities for emerging fish and wildlife management initiatives. These activities include hatchery reform, selective fisheries, implementation of salmon recovery plans, and renegotiation of the U.S./Canada Salmon Treaty. Funding is provided for the Department to coordinate co-management objectives between the state and tribal partners and to improve fish and wildlife resource management statewide.
7. **Chinook Salmon Marking-Add Auth** - Marking hatchery fish is required by the Endangered Species Act (ESA) and is used to provide selective fishery opportunities to the public. Federal funding is provided to mass mark federally-funded hatchery chinook salmon. The Department will undertake the actual marking of fish, purchase of manual marking trailers, the lease/purchase of an automated marking system, and double index tagging that verifies the accuracy of the Department's estimates of harvest availability. (General Fund-Federal)
8. **PS Nearshore Ecosystem Restoration** - The Puget Sound (PS) Nearshore Ecosystem Restoration Project is in the third year of a five-year, \$12 million feasibility study to analyze large-scale restoration actions required to protect and restore the Puget Sound ecosystem. The evaluation of these restoration actions will prioritize a list of projects across Puget Sound for submission to the U.S. Army Corps of Engineers and Congress for funding. A state match is provided for the 50/50 cost-share agreement signed by the Department and the Corps in 2002 to conduct the study.
9. **Habitat Harvest Data Mgmt & Access** - Federal expenditure authority is provided to the Department for the development of database tools to assist local lead entities, watershed organizations, potential sponsors, and others to access listings of habitat projects supported by approved recovery strategy and implementation plans. Funding will provide additional support for stakeholders to coordinate implementation of specific recovery projects. (General Fund-Federal)
10. **Mitchell Act Fall Chinook Mass Mark** - Federal expenditure authority is provided to continue the mass marking of 16.4 million Mitchell Act funded fall chinook salmon in the lower Columbia River. This marking is required to meet ESA requirements. The purpose of mass marking is to distinguish hatchery-raised fish from wild fish in order to provide additional selective fishery opportunities to the public. (General Fund-Federal)
11. **Winter Blackmouth Fishery Research** - Funding for research is provided for the winter blackmouth fishery to determine the impacts that contaminants in Puget Sound may have on resident chinook (blackmouth) and various groundfish. Increased expenditure authority is provided from existing funds in the Puget Sound Recreational Fisheries Enhancement Program Account to begin this research. This item was developed with assistance from the Puget Sound Recreational Fisheries Enhancement Citizen Oversight Committee. (Puget Sound Recreational Fisheries Enhancement Account-State)
12. **Predator Control** - One-time funding is provided for federal match funding for the control of predators that damage livestock, crops, and property.
13. **Education on Salmon Spawning** - One-time funding is provided for educational materials for the protection of salmon spawning beds. The Department shall produce educational materials discouraging activities that harm or disturb the spawning beds of salmon and steelhead.
14. **Habitat Conservation Planning** - The Department has secured federal grants from the Department of Interior under Section 6 of the ESA to initiate a comprehensive review of the hydraulic project approval permit rules and undergo a public process for adoption of new or revised rules that may be needed. Upon Legislative review, rules may be revised or newly adopted, and the Department will complete a habitat conservation plan for the entire hydraulic project approval program. Funds will be used to begin implementing recommendations from the 2002 Hydraulic Project Approval Task Force and will provide protection for the Department from ESA lawsuits. (General Fund-Federal)
15. **Fishery Sampling and Monitoring** - One-time funding is provided for additional fishery sampling and monitoring in the upper Columbia River area as required under the ESA and federal court orders.
16. **Dive Attractions** - One-time funding is provided for an interagency work group to study the sinking of ships as dive attractions.
17. **Increase Fish Production** - One-time funding is provided to increase fish production levels on a statewide basis at state-operated fish hatcheries. By July 31, 2006, the Department shall submit to the Legislature an implementation plan. By July 31, 2007, the Department shall submit to the Legislature a report documenting the increased production levels, using FY 2006 as the base year for comparison purposes. If the Department is unable to produce the implementation plan by July 31, 2006, the amounts provided shall lapse.
18. **Disability Allowance** - DFW Enforcement Officers who are disabled in the line of duty are entitled to a disability allowance,

Department of Fish and Wildlife

which is currently paid for by the Department. Pursuant to Chapter 39, Laws of 2006 (HB 2932), disability benefits will be paid by the Department of Retirement Systems. Funding is removed for potential future costs of disability benefits from DFW to the Department of Retirement Systems. (General Fund-State, Wildlife Account-State)

26. **PLP Authority** - The Personalized License Plates (PLP) account is dedicated to the management of non-game wildlife and is funded through the sale of personalized license plates. Increased expenditure authority is given to the Department as a state match for federal dollars received through the State Wildlife Grants program for non-game activities. (State Wildlife Account-State)

19. **Derelict Fishing Gear** - One-time funding is provided for the Northwest Straits Commission to remove lost and abandoned fishing nets and crab and shrimp pots that may be dangerous to humans and may unintentionally trap and kill endangered salmon and other aquatic species.

20. **Grizzly Bear Education** - One-time funding is provided for a grizzly bear outreach project to disseminate information about grizzly bears, including the grizzly bear recovery process in the North Cascade mountains.

21. **Nutria Eradication** - Nutria (*Myocastor coypus*) is a large semi-aquatic rodent known to cause vegetative damage from burrowing into marsh lands, wetlands, and dikes. One-time funding is provided to prevent impacts to native species by controlling the non-native nutria population in Skagit County.

22. **Invasive Species Council** - Funding is provided to implement Chapter 152, Laws of 2006 (ESSB 5385). Membership in the Council includes a representative from six state agencies (Departments of Agriculture, Fish and Wildlife, Ecology, Natural Resources, and Transportation, and the Washington State Noxious Weed Control Board). The Council is required to develop and implement a statewide strategic plan that addresses coordination and intergovernmental cooperation, prevent new introduction, inventory and monitoring of invasive species, early detection and rapid response, public education, research, and funding.

23. **Turkey Tag** - Funding is provided to implement Chapter 15, Laws of 2006 (ESB 5232). Under this bill, the purchase of turkey tags, in addition to a small game hunting license, is required to hunt for turkey. (State Wildlife Account-State)

24. **Habitat Conservation Plan Wildlife** - The Department has secured federal grants from the Department of Interior under Section 6 of the ESA to develop a Habitat Conservation Plan for Department-owned wildlife areas. The purpose of this plan is to review agency land management activities to address those that may adversely impact state- and federally-listed species and other species of concern. This plan will provide the Department protection from ESA lawsuits. (State Wildlife Account-Federal)

25. **Cross Base Highway Funding** - The Department of Transportation deposited \$1.5 million of federal funds into the Special Wildlife Account for the Department to use for off-site mitigation due to the displacement of oak woodland and native grassland habitats and species by construction of the Cross-Base Highway in Pierce County. Funding is provided to begin mitigation activities. (Special Wildlife Account-State)

Department of Natural Resources

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	92,977	248,886	341,863
Total Maintenance Changes	199	354	553
Policy Changes			
1. Reschedule Shellfish Settlement	0	0	0
2. Pension Plan 1 Unfunded Liabilities	0	577	577
3. Classification Revisions	-1	-123	-124
4. Central Service Agency Charges	107	215	322
5. Dredged Material Management Program	0	668	668
6. Enhance Puget Sound Cleanup	0	85	85
7. Emergency Fire Suppression	54	2,930	2,984
8. Forest Health	35	0	35
9. Geologic Hazards Program	654	0	654
10. Adaptive Mgmt for Forests & Fish	397	0	397
11. Regulation of Surface Mines	0	976	976
12. Oil and Gas Workgroup	50	0	50
Total Policy Changes	1,296	5,328	6,624
2005-07 Revised Appropriations	94,472	254,568	349,040
Fiscal Year 2006 Total	40,473	124,170	164,643
Fiscal Year 2007 Total	53,999	130,398	184,397

Comments:

1. **Reschedule Shellfish Settlement** - One-time funding was provided in the 2005-07 biennial budget to pay the state's share of a grower-tribal settlement of tribal claims for shellfish cultivated on certain Washington tidelands. This funding was appropriated contingent upon federal appropriation of its share of the settlement cost. Negotiations regarding the federal match are continuing, but they are not likely to conclude before the end of FY 2006. Therefore, the original appropriation is shifted from FY 2006 to FY 2007 in order to give growers and tribes more time to arrange the federal contribution. (General Fund-State, Aquatic Lands Enhancement Account-State)
2. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
3. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
4. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
5. **Dredged Material Management Program** - The Department operates 12 dredged-material disposal sites on state-owned aquatic lands located in Puget Sound, Grays Harbor, and Willapa Bay. Site management is funded by a volume-based fee deposited into the Dredged Material Management Account. Expenditure authority is increased in this account to match a higher amount of expected revenue. This funding will provide for environmental monitoring, site management, and other programmatic costs. (Dredged Material Management Account-State)
6. **Enhance Puget Sound Cleanup** - Funding and staffing are provided to clean up state-owned aquatic lands. This program, jointly carried out by the Department of Natural Resources and the Department of Ecology, will target contaminated aquatic sites where early cleanup and source-control actions will allow for restoration of state resources, including geoduck, other shellfish, or habitat features. Selected projects will integrate aquatic cleanup with adjacent upland source removal and source control. The work will be carried out through a combination of direct action by the state, contributions from potentially liable parties, and interagency agreements with affected local governments and resource agencies. (Aquatic Lands Enhancement Account-State)
7. **Emergency Fire Suppression** - One-time funding is provided for incurred and anticipated costs during FY 2006, in excess of the Department's existing fire-suppression appropriation. (General Fund-State, Landowner Contingency Forest Fire Suppression Account-Non-Appropriated)

Department of Natural Resources

8. **Forest Health** - Funding is provided to implement Chapter 342, Laws of 2006 (ESB 5179). The Forest Health Strategy Work Group is reconstituted by the bill and is directed to hold five statewide meetings.
9. **Geologic Hazards Program** - Funding is provided for the Department's geological survey to conduct and maintain an assessment of the volcanic, seismic, landslide, and tsunami hazards in Washington. Ongoing funding and staffing are provided to research and map earthquake and landslide hazards throughout Washington.
10. **Adaptive Mgmt for Forests & Fish** - One-time funding is provided to collaboratively assess upland wildlife habitat on forest lands. The assessment will determine how privately-owned lands, in combination with other land ownership such as public and tribal lands, contribute to wildlife habitat. The assessment will also determine how commercial forests, forest lands on the urban fringe, and small privately-owned forest lands that are managed according to Washington's Forests and Fish prescriptions, in combination with other forest management activities, function as wildlife habitat now and into the future.
11. **Regulation of Surface Mines** - Ongoing funding of \$719,000 is provided to implement Chapter 341, Laws of 2006 (E2SSB 6175), which authorizes the Department's Geology and Earth Resources Division to collect surface mining and reclamation permit fees to cover the program costs. In addition, funding of \$257,000 is provided to enable the Department to use the fund balance of the Surface Mining Reclamation Account. (Surface Mining Reclamation Account-State)
12. **Oil and Gas Workgroup** - One-time funding is provided for the Department to establish a work group to study existing legislation affecting oil and natural gas and to make recommendations to that legal framework to improve the regulatory, technical, environmental, and financial framework of the oil and gas industry. The Department must report its recommendations to the Legislature by December 30, 2006.

Department of Agriculture

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	23,443	82,132	105,575
Total Maintenance Changes	14	0	14
Policy Changes			
1. Raw Milk Compliance & Inspection	190	0	190
2. Biodiesel Fuel Markets	140	0	140
3. Pension Plan 1 Unfunded Liabilities	0	202	202
4. Classification Revisions	0	-35	-35
5. Central Service Agency Charges	32	67	99
6. Noxious Weed Board	100	0	100
7. Food Safety/Animal Health	0	0	0
8. Animal Identification	85	0	85
9. Asparagus Mechanization	500	0	500
10. Small Dairy Advisory Group	30	0	30
11. Pandemic Flu Monitoring & Outreach	100	0	100
12. Bioenergy Coordination	150	0	150
13. Spartina Eradication	50	0	50
14. Equipment (Weights and Measures)	341	0	341
15. Invasive Species Council	26	0	26
16. Surface Water Monitoring	0	129	129
17. Veterinarian Recruitment	49	0	49
18. Weights and Measures Inspections	0	241	241
Total Policy Changes	1,793	604	2,397
2005-07 Revised Appropriations	25,250	82,736	107,986
Fiscal Year 2006 Total	12,479	41,010	53,489
Fiscal Year 2007 Total	12,771	41,726	54,497

Comments:

1. **Raw Milk Compliance & Inspection** - The Department incurred unanticipated legal services costs to investigate an E. coli outbreak that sickened 18 people in Washington and Oregon. The cause of the illness was milk from an unlicensed dairy. Ongoing funding will allow the Department to monitor the increased number of raw milk processors that contribute to the unexpected and increased workload for the Food Safety Program and the Microbiology Laboratory.
2. **Biodiesel Fuel Markets** - Ongoing funding is provided to implement Chapter 338, Laws of 2006 (ESSB 6508). The bill establishes minimum fuel content requirements for biodiesel and ethanol of at least 2 percent by 2008, requires the Department to adopt fuel quality standards for biodiesel quality and rules for ethanol and biodiesel, and creates and defines the responsibilities of the Biofuels Advisory Committee.
3. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
4. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
5. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
6. **Noxious Weed Board** - Ongoing funding is provided to support noxious weed boards statewide.
7. **Food Safety/Animal Health** - Existing funds of \$160,000 are shifted from FY 2006 to FY 2007 to allow the Department to pursue another contractor to complete the database application that will consolidate program information and enable the Department to more effectively respond to food safety or animal disease emergencies.
8. **Animal Identification** - One-time funding is provided to implement Chapter 150, Laws of 2006 (SHB 3033). The bill directs the Department to convene an advisory committee to examine national and state animal identification programs,

Department of Agriculture

provide funding for such programs, and recommend a plan by December 1, 2006, for implementing the state's component.

9. **Asparagus Mechanization** - One-time funding is provided for: 1) purchase of equipment for lease by new fresh asparagus packing facilities within and near Pasco, Washington, that signed buyer's agreements with some of the former growers for the now closed Seneca canning facility in Dayton, Washington; and 2) for agency administrative costs in issuing the grants for the equipment purchase. The Department shall negotiate an appropriate agreement with the agricultural industry for the use of the equipment.
10. **Small Dairy Advisory Group** - Funding is provided to implement Chapter 157, Laws of 2006 (SSB 6377). The bill makes it unlawful to operate as a milk producer or milk processing plant without first obtaining a license and directs the Department to convene a work group to identify barriers, solutions, and to assist small-scale dairies to become licensed.
11. **Pandemic Flu Monitoring & Outreach** - Domesticated bird populations are potential carriers of various pandemic flu strains including what is commonly known as the bird flu. Because pandemic flu may be transmitted to humans from the avian species, additional resources are provided to increase the state's ability to detect and monitor pandemic flu activity. Ongoing funding will provide for surveillance of unusual types of influenza within avian populations and will expand reporting systems.
12. **Bioenergy Coordination** - Ongoing funding is provided for a multi-agency effort to promote the development of a bioenergy industry in Washington.
13. **Spartina Eradication** - Spartina is a noxious aquatic weed. One-time funding is provided for spartina eradication efforts in Gray's Harbor and in other areas of the state.
14. **Equipment (Weights and Measures)** - Chapter 358, Laws of 2006 (SSB 6365), requires the Department to charge fees to support an increase in inspections of weighing and measuring devices, such as gas pump meters, grocery store scales, truck scales, home oil heating truck meters, bulk petroleum meters, liquid petroleum gas meters, and taximeters. One-time funding is provided to purchase shared program equipment used by the Department to conduct inspections, which includes trucks with test weights, weights, and taxi test units.
15. **Invasive Species Council** - Funding is provided to implement Chapter 152, Laws of 2006 (ESSB 5385), which establishes the Invasive Species Council. The Council will develop and implement a statewide strategic plan that addresses: coordination and intergovernmental cooperation; prevention of new introduction, as well as, inventory and monitoring of invasive species; early detection and rapid response; and public education, research, and funding.
16. **Surface Water Monitoring** - Pesticide runoff from agricultural operations may potentially harm salmonids living in rivers and streams. One-time funding will support efforts to monitor pesticide residues in the tree fruit growing area of the upper Columbia River and will provide additional Washington-specific data for federal assessments of a pesticide's potential risk to salmon. (State Toxics Control Account-State)
17. **Veterinarian Recruitment** - Ongoing funding is provided to increase salaries of state veterinarians to attract more candidates and help alleviate workload and public health issues related to ongoing vacant positions.
18. **Weights and Measures Inspections** - Funding is provided to implement Chapter 358, Laws of 2006 (SSB 6365). Washington currently conducts weight and measure device inspections less frequently than the national average. The current inspection program also produces higher rejection rates for many devices than the national average. Funding will increase the state inspection average for each device to not more than once every two years. Increased inspections and lowering of rejection rates will increase consumer protection, promote fair competition among businesses, and help ensure proper payment of business taxes. (Agricultural Local Account-Non-Appropriated)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Agriculture's budget is shown in the Transportation Budget Section of this document.

Washington Pollution Liability Insurance Program

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	0	2,001	2,001
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	4	4
2. Central Service Agency Charges	<u>0</u>	<u>2</u>	<u>2</u>
Total Policy Changes	0	6	6
2005-07 Revised Appropriations	0	2,007	2,007
Fiscal Year 2006 Total	0	989	989
Fiscal Year 2007 Total	<u>0</u>	<u>1,018</u>	<u>1,018</u>

Comments:

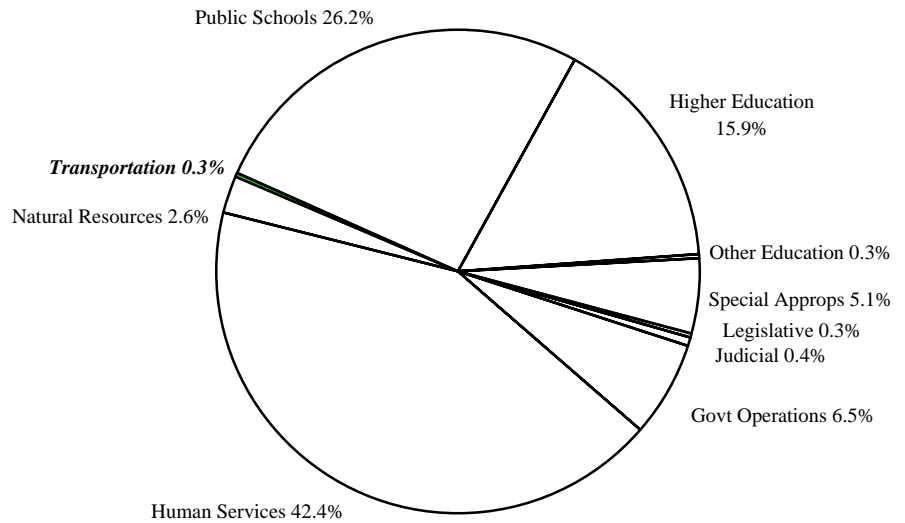
1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General-Fund State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Transportation

The majority of the funding for transportation services is included in the transportation budget, not the omnibus appropriations act. For additional information on funding for these agencies and other transportation funding, see the Transportation section of the Legislative Budget Notes. The omnibus appropriations act includes only a portion of the total funding for the Department of Licensing and the Washington State Patrol.

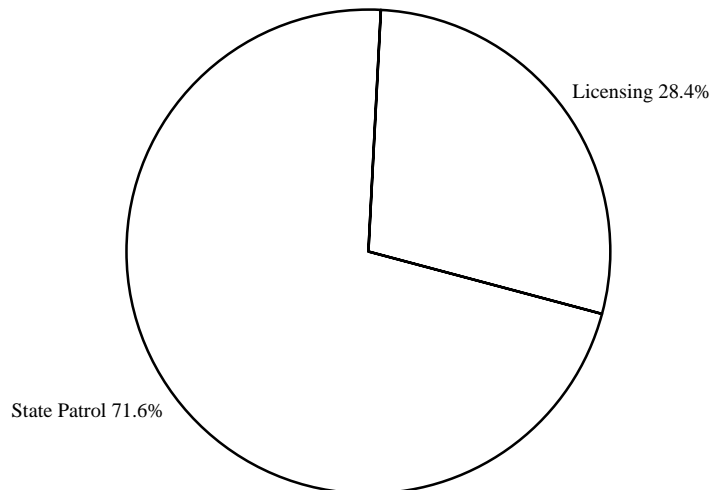
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Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
Statewide Total	51,288,737



Washington State

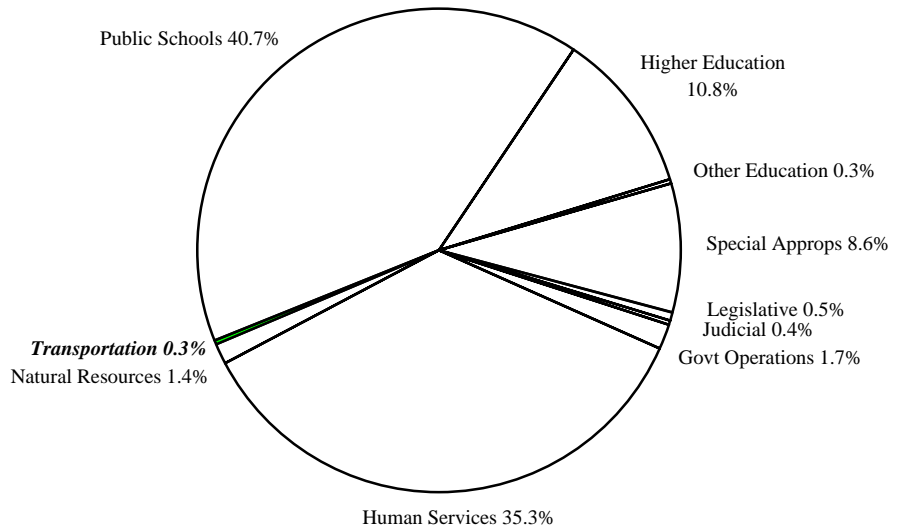
Washington State Patrol	106,137
Dept of Licensing	42,194
Transportation	148,331



Transportation

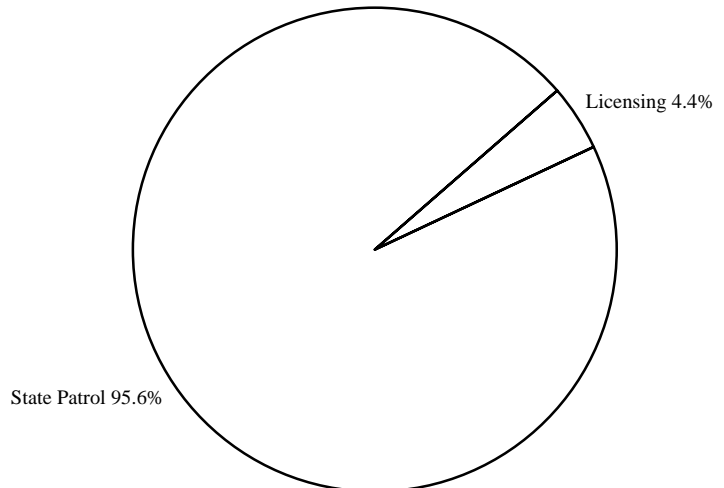
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Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

Washington State Patrol	70,354
Dept of Licensing	3,239
Transportation	73,593



Transportation

Department of Licensing

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,673	37,077	40,750
Total Maintenance Changes	-590	651	61
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	85	85
2. Central Service Agency Charges	4	48	52
3. Cosmetology Apprenticeship	0	56	56
4. Teak Surfing	148	0	148
5. BPD Investigators	4	333	337
6. Real Estate Appraiser Course Review	0	105	105
7. Background Checks Security Guards	0	600	600
Total Policy Changes	156	1,227	1,383
2005-07 Revised Appropriations	3,239	38,955	42,194
Fiscal Year 2006 Total	1,535	19,738	21,273
Fiscal Year 2007 Total	1,704	19,217	20,921

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Cosmetology Apprenticeship** - Funding is provided for the implementation of Chapter 162, Laws of 2006 (SHB 2596), which extends the cosmetology apprenticeship pilot program until July 1, 2008.
4. **Teak Surfing** - Funding is provided for implementation of Chapter 140, Laws of 2006 (SB 6364), which prohibits teak surfing, (the practice of hanging on to the stern of a moving motor boat in order to platform drag and body surf in the vessel's wake). The United States Coast Guard has stated that the because teak surfing takes place near a boat's motor, teak surfers are exposed to elevated carbon monoxide levels from vessel exhaust. The Department is required to produce a carbon monoxide warning sticker to be displayed by motor driven boats and vessels in the state. Additionally, the Department will include an informational brochure about the dangers of carbon monoxide poisoning to be mailed along with vessel registration materials.
5. **BPD Investigators** - Funding is provided for the department to hire three additional business and professions division (BPD) investigators, allowing investigations to be completed in a timely manner. (General Fund-State, Business and Professions Account-State, Master License Account-State, Geologists Account-State)
6. **Real Estate Appraiser Course Review** - Funding is provided for the Department to hire an additional staff person to review real property appraisal core course applications from institutions of higher education and proprietary schools. This will bring the Department into compliance with federal requirements for appraiser licensing. (Real Estate Appraisers' Account-State)
7. **Background Checks Security Guards** - Additional appropriation authority is provided for the Department to implement new federal requirements for background checks on private security guards licensed in the state. (Business and Professions Account-State)

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Department of Licensing's budget is shown in the Transportation Budget Section of this document.

Washington State Patrol

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	66,791	38,249	105,040
Total Maintenance Changes	798	-1,115	-317
Policy Changes			
1. Transfers	1,575	-1,575	0
2. Pension Plan 1 Unfunded Liabilities	0	187	187
3. Classification Revisions	-6	0	-6
4. Business Continuity	275	0	275
5. Central Service Agency Charges	41	37	78
6. Information Security Officer	121	0	121
7. Missing Persons	395	0	395
8. Registration Enforcement - EHB 1241	240	0	240
9. Cost-of-Living Adjustment	74	0	74
10. Sex Offender Registration	50	0	50
Total Policy Changes	2,765	-1,351	1,414
2005-07 Revised Appropriations	70,354	35,783	106,137
Fiscal Year 2006 Total	37,601	16,403	54,004
Fiscal Year 2007 Total	32,753	19,380	52,133

Comments:

- Transfers** - Expenditures are transferred from the Public Safety and Education Account (PSEA) to the state general fund in FY 2007 to allow the PSEA to balance. (General Fund-State, Public Safety and Education Account-State)
- Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- Classification Revisions** - This item reflects changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. Revisions appear in various agencies, netting a savings of \$586,000 statewide.
- Business Continuity** - Funding is provided for the development and operation of an alternative data center to provide back-up capabilities of information technology systems in the event of a catastrophic natural or man-made disaster affecting primary facilities.
- Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (General Fund-State, various other funds)
- Information Security Officer** - Funding is provided for an information security officer to maintain technical compliance and communication for Washington State crime information systems that interact with federal systems. The State Patrol operates the Washington Crime Information System and the Washington State Identification System (W2). These systems exchange data with the National Crime Information Center (NCIC) and criminal history database, Interstate Identification Index (III). Previously, these activities were funded through federal Homeland Security and National Criminal History Improvement Program grants that expire during the 2005-07 biennium.
- Missing Persons** - Funding is provided to implement Chapter 102, Laws of 2006 (2SHB 2805), which directs the State Patrol to establish an interface with local law enforcement and the Washington Association of Sheriffs and Police Chiefs missing persons website, the toll-free 24-hour hotline, and national and other statewide missing persons systems or clearinghouses.
- Registration Enforcement - EHB 1241** - Additional funding is provided in FY 2007 to support increased enforcement activities associated with Chapter 323, Laws of 2005 (EHB 1241), which increased penalties for failure to register a vehicle, created a penalty for registering a vehicle in another state to avoid in-state fees, and is expected to reduce evasion of sales and use taxes.
- Cost-of-Living Adjustment** - The initial 2005-07 budget provided a 1.6 percent cost-of-living adjustment (COLA) for commissioned officers, effective September 1, 2006. On January 3, 2006, the Washington State Patrol Troopers

Washington State Patrol

Association reached a tentative agreement with the Governor to modify the wage increases authorized in the budget.

Additional funding is provided to implement the new collective bargaining agreement, which raises the COLA to 2.6 percent and moves the effective date to July 1, 2006.

10. **Sex Offender Registration** - Funding is provided to implement Chapter 129, Laws of 2006 (SSB 6519), which requires certain sex offenders with a fixed residence to re-register every 90 days.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Washington State Patrol's budget is shown in the Transportation Budget Section of this document.

Public Schools

Maintenance Level Changes

A total of \$93 million is provided in increased maintenance level costs associated with: 1) 3,571 more students in the 2005-06 school year and 8,119 more students in the 2006-07 school year from the enrollment levels assumed in the original budget; 2) an increase in the inflation factor used in providing an Initiative 732 cost-of-living adjustment (COLA) to K-12 employees for the 2006-07 school year from 1.7 percent to 2.8 percent; and 3) other adjustments, such as inflation increases and additional levy equalization costs, that on net increased estimated state K-12 costs from the amounts assumed in the original 2005-07 budget.

Student Remediation Assistance

A new program is created, called the Promoting Academic Success (PAS) program, which will be designed to help students who have been unsuccessful on one or more sections of the 10th grade Washington Assessment of Student Learning (WASL) test prepare for retakes. School districts will receive funding based on eligible students actually served in the PAS program and may use the new funding to offer intensive instruction in ways that best fit the needs of the districts' students, including: summer school; Saturday or extended day programs; skill seminars; test preparation seminars; and in-school or out-of-school tutoring. The funding provided includes: 1) \$2.8 million in one-time allocations that support planning and curriculum alignment efforts associated with establishing the program; 2) \$20.2 million for serving Class of 2008 students; 3) \$4.1 million for one-time allocations that will allow school districts to provide WASL remedial instruction to Class of 2007 students or to address other remediation needs identified by the Office of Superintendent of Public Instruction; and 4) \$1.5 million for a grant program to reward districts for innovative and successful remediation programs.

In the future, the PAS program is designed to provide remedial funding for one graduating class each fiscal year. The funding provided for each graduating class is intended to provide remedial assistance to students throughout their junior and senior year, as needed, to successfully pass the WASL. The budget language allows districts to carry over up to 20 percent of PAS funds from one year to the next to meet the needs of students who were not successful on initial retakes and need additional assistance in their senior year in preparing for WASL retakes.

School Employee Salary Increase

Funding is provided for an additional 0.5 percent salary increase (beyond the 2.8 percent Initiative 732 COLA) for state-funded K-12 employees during the 2006-07 school year.

Natural Gas and Diesel Fuel Price Increases

One-time funding is provided for: 1) additional allocations to help school districts in managing recent increases in diesel fuel prices (\$5.6 million); and 2) additional assistance to school districts in managing recent increases in natural gas rates and heating oil prices (\$2.1 million).

Assessment Funding Adjustments

Funding is provided for additional contractor and other costs associated with having the 10th grade assessment results returned to students by June 10th of each year and the development and administration of the state-required science WASL.

Vocational Equipment Replacement

One-time funding is provided to replace and upgrade equipment in vocational and Skills Center programs. Specifically, the funding will be distributed based on \$75 per vocational student and \$125 per student at Skills Centers.

Restore Levy Equalization

The original 2005-07 budget made a prorated levy equalization reduction of 4.4 percent during calendar years 2006 and 2007. This reduction is restored in the budget for calendar year 2007. The net effect will be an estimated increase in state levy equalization payments to school districts of \$8.8 million during calendar year 2007 and \$4.8 million during state fiscal year 2007.

Navigation 101

The Navigation 101 program is a counseling and mentoring program to help students set goals, take courses that will further their goals, and learn where their skills lie. Funding is provided to make the Navigation 101 curriculum available to all school districts. Additionally, funding is provided for grants to at least 100 school districts to implement the Navigation 101 program.

Math Remediation

Funding is provided for the development and distribution of modules aimed at assisting teachers and students in mathematics. Additionally, a new 10th grade mathematics assessment tool that presents the mathematics essential learnings in segments for assessment will be developed.

Staffed Residential Homes Pilot Grant Program

Funding is provided for a pilot grant program related to serving students in staffed residential homes. The pilot grant program will seek to identify the fiscal and educational challenges posed to districts that serve concentrations of staffed residential homes students and provide resources to help address these challenges. As part of the pilot grant program, a study will be conducted to make findings and recommendations regarding the variety of circumstances and needs present in the staffed residential home population and recommendations regarding how to best meet those needs.

Student Data System

Funding is provided to create a statewide database of longitudinal student information. The database will: provide a central repository for student achievement and demographic information; allow teachers to review and track individual student achievement over time on state-standardized and classroom-based assessments by specific content strands; and provide a way to develop, track, and transfer student learning plans.

School Breakfast Programs

Funding is provided for the following enhancements to the school breakfasts programs: 1) the level of reimbursement per meal is increased for each student eligible for free or reduced prices; 2) the co-pay is eliminated for students eligible for reduced prices; and 3) additional resources are provided to assist school districts in establishing summer food programs.

CISL/Ombudsman

Funding is provided to implement Chapter 116, Laws of 2006, Partial Veto (ESHB 3127), which reinstates the Center for Improvement of Student Learning (CISL) and creates an ombudsman program which will be implemented through regional offices by the Governor's Office.

Safe Schools Federal Backfill

The federal government has reduced the amount of funding provided to Washington State for the Safe and Drug-Free Schools and Communities grants by approximately \$1.5 million or 21 percent in fiscal year 2007. The budget provides one-time funding to help mitigate the impact of this federal budget reduction. Of this amount, \$200,000 is provided to the Department of Community, Trade, and Economic Development and \$800,000 is provided in the K-12 section of the budget.

Alternative Routes to Teaching

The alternative route to teaching program provides conditional loan scholarships for candidates seeking teacher certification in an area in which school districts are experiencing shortages. This program is administered by the Professional Educator Standards Board. Funding is provided for additional scholarships specifically for candidates in special education, math, science, and bilingual education.

National Board for Professional Teaching Standards

Funding is provided for costs associated with fringe benefits on the \$3,500 salary bonus provided to each of the teachers with National Board for Professional Teaching Standards certification in fiscal year 2006 and fiscal year 2007. Funding will maintain the bonus amount paid to national board certified teachers at \$3,500 per year.

Closing the Achievement Gaps Pilot

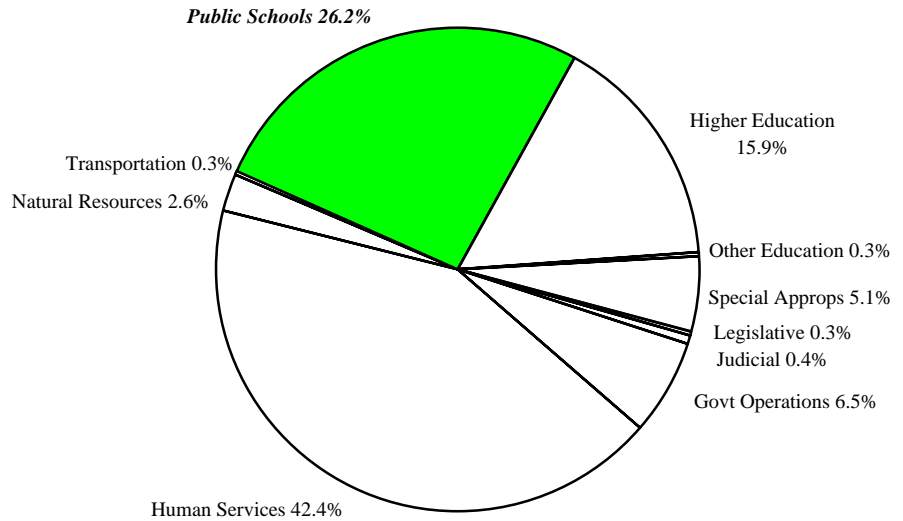
Funding is provided for a parent, community, and school district partnership program that will meet the unique needs of different groups of students in closing the achievement gap. The Office of Superintendent of Public Instruction will award five partnership grants. The intent of the pilot program is to help students meet state learning standards, achieve the skills and knowledge necessary for college or the workplace, reduce the achievement gap, prevent dropouts, and improve graduation rates.

Other K-12 Enhancements

Funding is provided for a variety of smaller K-12 enhancements including the following: additional Attorney General Office services related to a lawsuit dealing with special education funding (\$1.1 million); additional funding for incentives to increase Skills Center enrollment and funding for summer programs (\$0.4 million); anti-bias training (\$0.325 million); environmental education programs (\$0.15 million); youth suicide prevention (\$0.1 million); financial literacy programs for students (\$0.05 million); and other smaller miscellaneous increases.

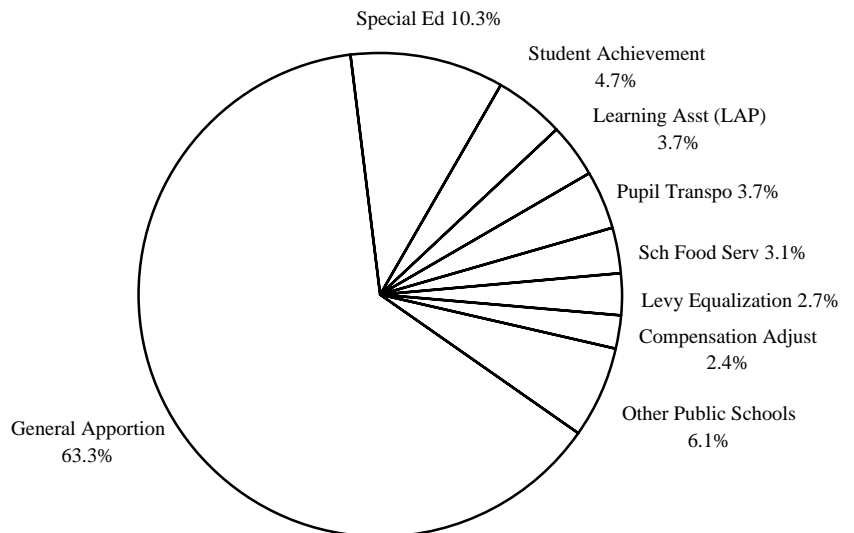
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Washington State

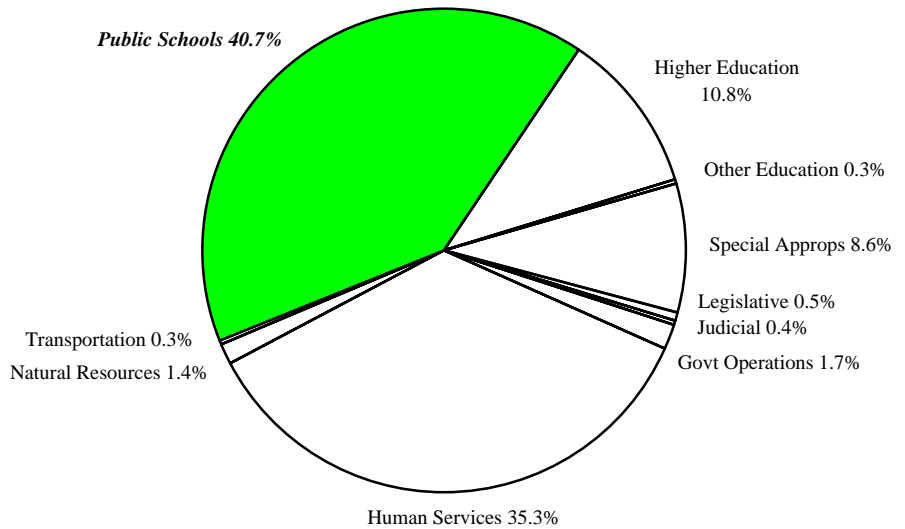
General Apportionment	8,503,797
Special Education	1,381,901
Student Achievement	630,537
Learning Assist Pgm	503,153
Pupil Transportation	500,903
School Food Services	418,226
Levy Equalization	364,110
Compensation Adj	318,968
Other Public Schools	819,241
Public Schools	13,440,836



Public Schools

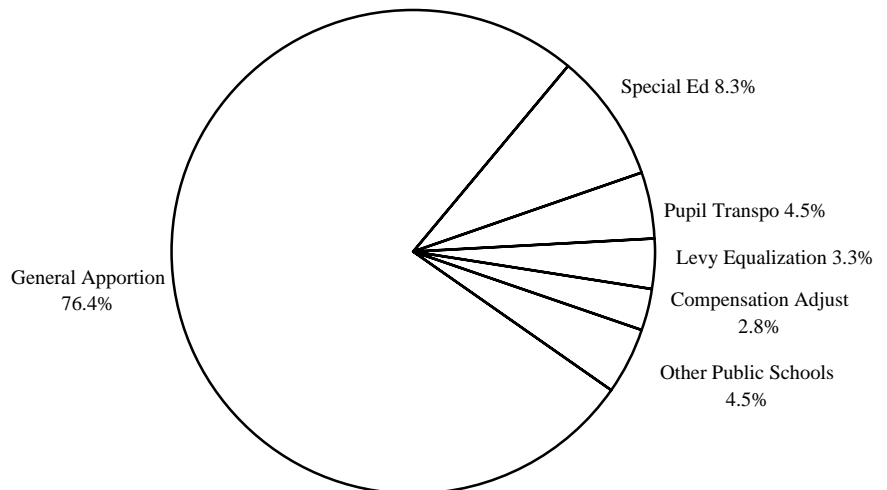
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Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

General Apportionment	8,475,249
Special Education	943,003
Pupil Transportation	500,148
Levy Equalization	364,110
Compensation Adj	315,912
Other Public Schools	499,607
Public Schools	11,098,029



Public Schools

Public Schools

WORKLOAD HISTORY By School Year

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Estimated 2005-06	2006-07
General Apportionment										
FTE Enrollment	936,435	946,385	948,485	951,033	956,567	958,846	962,342	966,371	972,804	980,345
% Change from prior year		1.1%	0.2%	0.3%	0.6%	0.2%	0.4%	0.4%	0.7%	0.8%
Special Education										
Funded Enrollment ⁽¹⁾	111,257	113,249	115,257	116,709	118,519	120,677	121,467	122,031	121,815	123,322
% Change from prior year		1.8%	1.8%	1.3%	1.6%	1.8%	0.7%	0.5%	-0.2%	1.2%
Bilingual Education										
Headcount Enrollment	47,975	52,040	55,656	59,514	62,522	66,258	70,884	75,255	77,277	81,674
% Change from prior year		8.5%	6.9%	6.9%	5.1%	6.0%	7.0%	6.2%	2.7%	5.7%
Learning Assistance Program										
Entitlement Units ⁽¹⁾	159,556	159,481	184,804	177,763	174,275	170,157	161,864	157,935	N/A	N/A
Funded Students ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	412,060	420,496
% Change from prior year		0.0%	15.9%	-3.8%	-2.0%	-2.4%	-4.9%	-2.4%		2.0%

⁽¹⁾ Beginning in 2002-03, the workload indicators include incorporation of federal funds. For the 2002-03, 2003-04, and 2004-05 school years, school districts were funded for special education services for 0.3 percent of their enrollment beyond the 12.7 percent limit with federal funds. Beginning once again in the 2005-06 school year, school districts are funded for special education services up to 12.7 percent of their enrollment solely with state funds.

⁽²⁾ In the 2005 legislative session, the Legislature made significant changes to the allocation formula for the Learning Assistance Program. For this reason, the workload amounts for the 2005-07 biennium are not comparable to prior years.

Data Sources :

1997-98 through 2004-05 amounts from the Office of the Superintendent of Public Instruction, the Office of Financial Management, and the Caseload Forecast Council.

2005-06 and 2006-07 estimates from the Caseload Forecast Council February 2006 forecast and legislative budgets from the 2006 session.

Public Schools OSPI & Statewide Programs

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	46,163	79,965	126,128
Total Maintenance Changes	0	3,650	3,650
Policy Changes			
1. Utility Costs Emergency Assistance	2,148	0	2,148
2. Pre-Apprenticeship Program Grants	175	0	175
3. Central Service Agency Charges	71	0	71
4. Civics Education	22	0	22
5. Environmental Study	15	0	15
6. Navigation 101	3,980	0	3,980
7. Student Data System	2,896	0	2,896
8. Special Education Lawsuit	1,099	0	1,099
9. Environmental Education	150	0	150
10. Anti-Bias Training	325	0	325
11. Safe Schools Federal Backfill	800	0	800
12. Financial Literacy	50	0	50
13. Youth Suicide Prevention	100	0	100
14. School Safety Plans	45	0	45
15. Special Education Accounting	64	0	64
16. SRH Pilot Grant Program	3,055	0	3,055
17. Alternative Routes to Teaching	511	0	511
18. Sex Offender Workgroup	40	0	40
19. State Board Increased Costs	119	0	119
20. Civics Curriculum Development	25	0	25
Total Policy Changes	15,690	0	15,690
2005-07 Revised Appropriations	61,853	83,615	145,468
Fiscal Year 2006 Total	25,793	44,133	69,926
Fiscal Year 2007 Total	36,060	39,482	75,542

Comments:

1. **Utility Costs Emergency Assistance** - One-time funding is provided for additional assistance to school districts in managing recent increases in natural gas and heating oil costs during the 2005-06 school year.
2. **Pre-Apprenticeship Program Grants** - Pursuant to Chapter 161, Laws of 2006 (2SHB 2789), funding is provided for grants and pilot programs to develop pre-apprenticeship opportunities. Districts will use the grants to support program design, negotiate school/business/labor agreements, and recruit high school students for pre-apprenticeship programs in the building trades and crafts.
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Civics Education** - Funding is provided to implement Chapter 113, Laws of 2006 (EHB 2579). The bill requires that beginning in the 2008-09 school year, students in grades 4, 5, 7 or 8, and 11 or 12 will complete a classroom-based assessment in civics. The funding provided supports staff training and competitive grants to districts for curriculum alignment; private donations may also supplement these funds.
5. **Environmental Study** - Funding is provided for the implementation of Chapter 79, Laws of 2006 (EHB 2910 - Environmental Education), which requires the Office of the Superintendent of Public Instruction (OSPI) to conduct an environmental, natural science, wildlife, forestry, and agriculture education study in partnership with public and private entities that promote quality environmental education experiences.
6. **Navigation 101** - The Navigation 101 program is a counseling and mentoring program to help students set goals, take courses that will further their goals, and learn where their skills lie. Pursuant to Chapter 117, Laws of 2006 (ESSB 6255), funding is provided to make the Navigation 101 curriculum available to all school districts. Additionally, funding is provided for grants to at least 100 school districts to implement the Navigation 101 program.

Public Schools OSPI & Statewide Programs

7. **Student Data System** - Funding is provided to create a statewide database of longitudinal student information. The database will provide a central repository for student achievement and demographic information; allow teachers to review and track individual student achievement over time on state-standardized and classroom-based assessments by specific content strands; and provide a way to develop, track, and transfer student learning plans. OSPI is required to meet stringent planning requirements that meet the approval of the Department of Information Services prior to beginning this project.
8. **Special Education Lawsuit** - Twelve school districts have filed a lawsuit in Thurston County Superior Court claiming that the state has underfunded special education based on an unconstitutional funding system. This lawsuit will require additional services from the Attorney General's Office, the costs of which will be billed to OSPI. Funding is provided to cover the expected costs for the 2005-07 biennium.
9. **Environmental Education** - Funding is provided for grants for the environmental education program throughout the state. The General Fund-State funding will be deposited into the Washington Natural Science, Wildlife, and Environmental Education Partnership Account to be augmented with other public and private donations for this purpose.
10. **Anti-Bias Training** - Funding is provided for comprehensive cultural competence and anti-bias education programs for educators and students. OSPI will administer grants to school districts with the assistance and input of groups like the Anti-Defamation League and the Jewish Federation of Seattle.
11. **Safe Schools Federal Backfill** - The federal government has reduced the amount of funding provided to Washington State for the Safe and Drug-Free Schools and Communities (SDFSC) grants by approximately \$1.5 million or 21 percent in FY 2007. In Washington State, SDFSC grant funding supports prevention and intervention specialists in schools to implement comprehensive student assistance programs that address problems associated with substance use and violence. These funds are distributed to 13 local grantees, including the 4 largest school districts (Seattle, Tacoma, Spokane, and Kent) and 9 consortia, covering virtually the entire state. One-time state funding is provided to help mitigate the impact of this federal budget reduction.
12. **Financial Literacy** - Funding is provided for additional efforts at promoting financial literacy of students. The effort will be coordinated through the Financial Literacy Public Private Partnership.
13. **Youth Suicide Prevention** - Funding is provided for a pilot youth suicide prevention and information program. OSPI will work with selected school districts and community agencies in identifying effective strategies at preventing youth suicide.
14. **School Safety Plans** - Funding is provided for the Washington State School Safety Center Advisory Committee, in consultation with OSPI, to prepare a report with: 1) the recommended comprehensive school safety plan standards; 2) a potential implementation plan for those standards statewide; and 3) detailed information on the costs and other impacts on school districts from implementing the standards. The development of standards shall address requirements for school mapping and shall include a review of current research regarding safe school planning. The report will be completed by December 1, 2006.
15. **Special Education Accounting** - Funding is provided for OSPI to conduct further evaluation of issues raised in the recently completed Joint Legislative Audit and Review Committee report on the accounting of special education excess costs. Specifically, OSPI will convene a work group to evaluate modifying or replacing the current 1077 methodology. This workgroup will develop a proposal and deliver their report to the Legislature by January 1, 2007, and take into consideration recommendations of the Washington Learns Steering Committee.
16. **SRH Pilot Grant Program** - Funding is provided for a pilot grant program related to serving students in staffed residential homes (SRH). The pilot grant program will seek to identify the fiscal and educational challenges posed to districts that serve concentrations of SRH students and provide resources to help address these challenges. As part of the pilot grant program, a study will be conducted to make findings and recommendations regarding the variety of circumstances and needs present in the SRH population and recommendations regarding how to best meet those needs.
17. **Alternative Routes to Teaching** - The alternative route to teaching program provides conditional loan scholarships for candidates seeking teacher certification in an area in which school districts are experiencing shortages. This program is administered by the Professional Educator Standards Board. Funding is provided for additional scholarships specifically for candidates in special education, math, science, and bilingual education.
18. **Sex Offender Workgroup** - Pursuant to Chapter 135, Laws of 2006 (ESSB 6580), funding is provided for OSPI to convene a workgroup to develop a model policy for schools to follow when receiving notification from the sheriff's office that a sex offender is enrolled. A final report and recommendations must be submitted to the appropriate committees of the Legislature by November 15, 2006.
19. **State Board Increased Costs** - Funding is provided to cover increased operational costs of the State Board of Education. Funding will support new staffing needs and cover increased costs associated with changes in membership and the scope of the Board's duties.
20. **Civics Curriculum Development** - Chapter 113, Laws of 2006 (EHB 2579), appropriates \$25,000 from General Fund-State to OSPI for competitive grants for the development of civics curriculum.

Public Schools General Apportionment

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	8,423,967	0	8,423,967
Total Maintenance Changes	45,926	0	45,926
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	28,548	28,548
2. Skills Center Incentive Grants	413	0	413
3. Vocational Equipment Replacement	4,943	0	4,943
Total Policy Changes	5,356	28,548	33,904
2005-07 Revised Appropriations	8,475,249	28,548	8,503,797
Fiscal Year 2006 Total	4,193,442	0	4,193,442
Fiscal Year 2007 Total	4,281,807	28,548	4,310,355

Comments:

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
2. **Skills Center Incentive Grants** - Additional funding is provided to address financial disincentives experienced by districts in sending their students to Skill Centers and to expand Skills Center summer school programs.
3. **Vocational Equipment Replacement** - Funding is provided for a one-time allocation to replace and upgrade equipment in vocational and Skills Center programs. The funding will be distributed based on \$75 per vocational student and \$125 per student at Skills Centers.

Public Schools Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	260,949	1,334	262,283
Total Maintenance Changes	35,827	118	35,945
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	1,545	1,545
2. Health Benefit Changes	2,588	8	2,596
3. Promoting Academic Success	832	0	832
4. School Employee Salary Increase	15,716	51	15,767
Total Policy Changes	19,136	1,604	20,740
2005-07 Revised Appropriations	315,912	3,056	318,968
Fiscal Year 2006 Total	74,336	362	74,698
Fiscal Year 2007 Total	241,576	2,694	244,270

Comments:

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
2. **Health Benefit Changes** - The original 2005-07 operating budget provided an increase in the health benefit funding rate from the 2005-06 school year to the 2006-07 school year of 8 percent. Funding is now provided for a rate increase of 8.5 percent between the two school years. As a result of this change, the increases in the K-12 funding rates correspond to similar increases in the state employer classified staff rates.
3. **Promoting Academic Success** - The additional certificated instructional staff provided under the new Promoting Academic Success program causes compensation increases to cost more.
4. **School Employee Salary Increase** - Funding is provided for an additional 0.5 percent salary increase (beyond the 2.8 percent Initiative 732 cost-of-living-adjustment [COLA]) for state funded K-12 employees during the 2006-07 school year.

**Public Schools
Pupil Transportation**

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	490,745	0	490,745
Total Maintenance Changes	3,808	0	3,808
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	755	755
2. Transportation Emergency Assistance	5,595	0	5,595
Total Policy Changes	5,595	755	6,350
2005-07 Revised Appropriations	500,148	755	500,903
Fiscal Year 2006 Total	247,541	0	247,541
Fiscal Year 2007 Total	252,607	755	253,362

Comments:

- 1. Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
- 2. Transportation Emergency Assistance** - One-time funding is provided for additional assistance to school districts in managing recent increases in diesel fuel prices during the 2005-06 school year.

**Public Schools
School Food Services**

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	6,306	397,260	403,566
Total Maintenance Changes	0	14,660	14,660
2005-07 Revised Appropriations	6,306	411,920	418,226
Fiscal Year 2006 Total	3,147	199,324	202,471
Fiscal Year 2007 Total	3,159	212,596	215,755

Comments:

There were no policy level changes.

**Public Schools
Special Education**

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	931,993	435,464	1,367,457
Total Maintenance Changes	11,010	165	11,175
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	3,269	3,269
Total Policy Changes	0	3,269	3,269
2005-07 Revised Appropriations	943,003	438,898	1,381,901
Fiscal Year 2006 Total	464,812	207,415	672,227
Fiscal Year 2007 Total	478,191	231,483	709,674

Comments:

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

**Public Schools
Educational Service Districts**

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	7,418	0	7,418
Total Maintenance Changes	-16	0	-16
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	28	28
Total Policy Changes	0	28	28
2005-07 Revised Appropriations	7,402	28	7,430
Fiscal Year 2006 Total	3,691	0	3,691
Fiscal Year 2007 Total	3,711	28	3,739

Comments:

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

Public Schools Levy Equalization

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	357,167	0	357,167
Total Maintenance Changes	2,130	0	2,130
Policy Changes			
1. Restore Levy Equalization	4,813	0	4,813
Total Policy Changes	4,813	0	4,813
2005-07 Revised Appropriations	364,110	0	364,110
Fiscal Year 2006 Total	173,153	0	173,153
Fiscal Year 2007 Total	190,957	0	190,957

Comments:

1. **Restore Levy Equalization** - The original 2005-07 budget made a prorated levy equalization reduction of 4.4 percent during calendar years 2006 and 2007. The budget restores this reduction for calendar year 2007. The net effect will be an estimated increase in state levy equalization payments to school districts of \$8.8 million during calendar year 2007 and \$4.8 million during state FY 2007.

**Public Schools
Institutional Education**

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	38,757	0	38,757
Total Maintenance Changes	-2,442	0	-2,442
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	117	117
Total Policy Changes	0	117	117
2005-07 Revised Appropriations	36,315	117	36,432
Fiscal Year 2006 Total	18,078	0	18,078
Fiscal Year 2007 Total	18,237	117	18,354

Comments:

- Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

Public Schools
Education of Highly Capable Students

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	13,786	0	13,786
Total Maintenance Changes	88	0	88
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	44	44
Total Policy Changes	0	44	44
2005-07 Revised Appropriations	13,874	44	13,918
Fiscal Year 2006 Total	6,900	0	6,900
Fiscal Year 2007 Total	6,974	44	7,018

Comments:

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

Public Schools Education Reform

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	83,503	124,305	207,808
Total Maintenance Changes	0	24,454	24,454
Policy Changes			
1. Move Early Read to Early Learning	-125	0	-125
2. Alternative for English Learners	100	0	100
3. Math Remediation	3,390	0	3,390
4. Principal Support Program	150	0	150
5. CISL/Ombudsman	1,327	0	1,327
6. Assessment Funding Adjustments	5,074	0	5,074
7. 9th Grade Diagnostic Test	250	0	250
8. National Board - Other Costs	510	0	510
9. School Breakfast Programs	2,000	0	2,000
10. Closing Achievement Gaps Pilot	500	0	500
Total Policy Changes	13,176	0	13,176
2005-07 Revised Appropriations	96,679	148,759	245,438
Fiscal Year 2006 Total	45,382	72,071	117,453
Fiscal Year 2007 Total	51,297	76,688	127,985

Comments:

1. **Move Early Read to Early Learning** - Pursuant to Chapter 265, Laws of 2006 (2SHB 2964), the Early Reading Grant program created last year will be transferred to the new Department of Early Learning.
2. **Alternative for English Learners** - Funding is provided to study assessment alternatives for English language learners and to estimate the costs of translating and scoring test questions in foreign languages on the Washington Assessment of Student Learning (WASL).
3. **Math Remediation** - Funding is provided for the development of: 1) WASL knowledge and skill learning modules to assist students performing at 10th grade Level 1 in mathematics (\$110,000); 2) mathematics knowledge and skill learning modules to teach middle and high school students specific skills that have been identified as areas of difficulty for 10th grade students (\$330,000); 3) web-based applications of the curriculum and materials produced for the learning modules (\$600,000); and 4) a new 10th grade mathematics assessment tool that presents the mathematics essential learnings in segments for assessment (\$2,350,000).
4. **Principal Support Program** - The Principal Support Program provides assistance, assessment, and mentoring to improve the skills of principals. Additional principals will be served in FY 2007.
5. **CISL/Ombudsman** - Funding is provided to implement Chapter 116, Laws of 2006, Partial Veto (ESHB 3127), which reinstates the Center for Improvement of Student Learning (CISL) and creates an ombudsman program which will be implemented through regional offices by the Governor's Office.
6. **Assessment Funding Adjustments** - The 2005 Legislature enacted a two-year assessment budget expecting the Office of Superintendent of Public Instruction (OSPI) to obtain favorable contract prices, federal funding, or a combination of the two to cover the cost of returning the 10th grade assessment results to students by June 10th of each year and to develop and administer the state-required science WASL. Since OSPI was unable to secure additional federal funding or get further contractor reductions, funding is provided for costs associated with these two items.
7. **9th Grade Diagnostic Test** - Funding is provided for OSPI to make diagnostic assessments available to assist school districts. Subject to available funds, OSPI will provide funding to school districts for administering diagnostic assessments in grade 9 for the purpose of identifying academic weaknesses and developing strategies to assist students before the high school WASL.
8. **National Board - Other Costs** - Funding is provided for costs associated with fringe benefits on the \$3,500 salary bonus provided to each of the teachers with National Board for Professional Teaching Standards certification in FY 2006 and FY 2007. Funding will maintain the bonus amount paid to national board certified teachers at \$3,500 per year.
9. **School Breakfast Programs** - Funding is provided for the following enhancements to the funding for school breakfasts programs: 1) the level of reimbursement per meal is increased for each student eligible for free and reduced price; 2) the co-pay is eliminated for students eligible for reduced price; and 3)

Public Schools Education Reform

additional resources are provided to assist school districts in establishing summer food programs.

10. **Closing Achievement Gaps Pilot** - Funding is provided for a parent, community, and school district partnership program that will meet the unique needs of different groups of students in closing the achievement gap. OSPI will award five partnership grants. The intent for the the pilot program is to help students meet state learning standards and achieve the skills and knowledge necessary for college or the workplace by reducing the achievement gap and dropout rates and improving graduation rates.

Public Schools
Transitional Bilingual Instruction

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	123,208	45,561	168,769
Total Maintenance Changes	-3,395	6,180	2,785
Policy Changes			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>504</u>	<u>504</u>
Total Policy Changes	0	504	504
2005-07 Revised Appropriations	119,813	52,245	172,058
Fiscal Year 2006 Total	58,205	25,167	83,372
Fiscal Year 2007 Total	61,608	27,078	88,686

Comments:

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

Public Schools
Learning Assistance Program (LAP)

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2005-07 Original Appropriations	130,801	367,832	498,633
Total Maintenance Changes	-1,157	5,124	3,967
Policy Changes			
1. Pension Plan 1 Unfunded Liability	<u>0</u>	<u>553</u>	<u>553</u>
Total Policy Changes	0	553	553
2005-07 Revised Appropriations	129,644	373,509	503,153
Fiscal Year 2006 Total	65,018	181,930	246,948
Fiscal Year 2007 Total	64,626	191,579	256,205

Comments:

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.

Public Schools Promoting Academic Success

(Dollars in Thousands)

	GF-S	Other	Total
Policy Changes			
1. Pension Plan 1 Unfunded Liability	0	189	189
2. Promoting Academic Success	27,721	0	27,721
Total Policy Changes	27,721	189	27,910
2005-07 Revised Appropriations	27,721	189	27,910
Fiscal Year 2006 Total	3,842	0	3,842
Fiscal Year 2007 Total	23,879	189	24,068

Comments:

1. **Pension Plan 1 Unfunded Liability** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees', and Teachers' Retirement Systems (PERS 1, TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account.
2. **Promoting Academic Success** - A new program is created, called the Promoting Academic Success (PAS) program, which will be designed to help students who have been unsuccessful on one or more sections of the 10th grade Washington Assessment of Student Learning (WASL) test prepare for retakes. School districts will receive funding based on eligible students actually served in the PAS program and may use the new funding to offer intensive instruction in ways that best fit the needs of the districts' students, including: summer school; Saturday or extended day programs; skill seminars; test preparation seminars; and in-school or out-of-school tutoring. The funding provided includes: 1) \$2.8 million in one-time allocations that support planning and curriculum alignment efforts associated with establishing the program; 2) \$20.2 million for serving Class of 2008 students; 3) \$4.1 million for one-time allocations that will allow school districts to provide WASL remedial instruction to Class of 2007 students or to address other remediation needs identified by the Office of Superintendent of Public Instruction; and 4) \$1.5 million for a grant program to reward districts for innovative and successful remediation programs.

In the future, the PAS program is designed to provide remedial funding for one graduating class each fiscal year. The funding provided for each graduating class is intended to provide remedial assistance to students throughout their junior and senior year, as needed, to successfully pass the WASL. The budget language allows districts to carry over up to 20 percent of PAS funds from one year to the next to meet the needs of students who were not successful on initial retakes and need additional assistance in their senior year in preparing for WASL retakes.

**Public Schools
Student Achievement Program**

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	0	629,356	629,356
Total Maintenance Changes	0	1,181	1,181
2005-07 Revised Appropriations	0	630,537	630,537
Fiscal Year 2006 Total	0	280,758	280,758
Fiscal Year 2007 Total	0	349,779	349,779

Comments:

There were no policy level changes.

Higher Education

New Enrollments

A total of \$6.1 million is provided for a total of 497 new high-demand enrollments at programs throughout the state. Specific funding is provided for enrollments at the following institutions:

- University of Washington (UW): 150 students in engineering, math, and science baccalaureate programs.
- Washington State University (WSU): 80 students in baccalaureate and graduate nursing programs or for baccalaureate programs in engineering and construction management.
- Regional universities and The Evergreen State College: 80 enrollments, to be coordinated in a high-demand enrollment pool by the Higher Education Coordinating Board (HECB).
- State Board for Community and Technical Colleges (SBCTC): 187 enrollments for high-demand fields where enrollment access is limited and employers are experiencing difficulty finding qualified graduates to fill job openings.

A total of \$1.1 million is provided for the SBCTC to develop implementation plans for offering applied baccalaureate degrees at four pilot sites as well as the ongoing cost of program funding. Additionally, the budget provides funding for three community and technical colleges to increase the per student state subsidy to \$6,300 per student for the purpose of contracting for upper-divisional coursework.

Workforce Training

A total of \$4.1 million is provided for SBCTC and Workforce Training and Education Coordinating Board to develop and implement opportunity grant programs at selected colleges. The opportunity grants will provide low-income students enrolled in the program with funding to cover the costs of workforce education, which may include tuition, books, fees, and other expenses associated with participating in the program.

The sum of \$3.2 million is provided for implementation of Chapter 112, Laws of 2006 (2SSB 6326), which establishes the Washington Customized Employment Workforce Training Program, to be administered by the SBCTC. The program allows employers locating in the state or expanding in the state to receive funding for employee training. When employees complete the training, employers pay for a quarter of the training cost and are to pay the remaining three-quarters of the cost within 18 months. Additionally, eligible employers receive a 50 percent business and occupation tax credit. The bill creates a new account, the Employment Training Finance Account and includes a \$3.1 million appropriation from the state general fund to the new account. All of the programs revenues and expenditures shall be out of the new account.

A total of \$1.0 million is provided for expansion of the Job Skills program run by the SBCTC. Funds will be matched by employers as part of the program's requirements. Additionally the Board is encouraged to apply any savings gained through the SmartBuy program for additional funding for the job skills program.

Compensation

A total of \$3.3 million is provided to implement the COLAs as specified by Initiative 732. Additionally, \$1.5 million is provided for additional faculty increments at the community and technical colleges. The amount provided shall be allocated proportionally to part-time and full-time faculty based on their respective salary bases.

A total of \$0.8 million is provided to maintain health care benefits for part-time academic employees at community and technical colleges, provided the employees establish and maintain an annual average workload pattern of over 50 percent time, as specified in Chapter 308, Laws of 2006 (2SHB 2583).

Operations Support

One-time funding of \$3.0 million is provided to institutions of higher education for assistance in managing recent increases in natural gas rates during fiscal year 2006. The funding provides the General Fund-State share of 17.5 percent increase in natural gas costs.

A total of \$5.7 million is provided for maintenance and operations costs for 35 instructional facilities located throughout the state. This includes 32 projects for community and technical colleges and three projects for WSU located in Spokane, Prosser, and Vancouver.

A total of \$2.0 million is provided for UW to pay for operations and maintenance costs of the Bioengineering and Genome Sciences buildings that will become operational during the 2005-07 biennium.

New Programs and Research

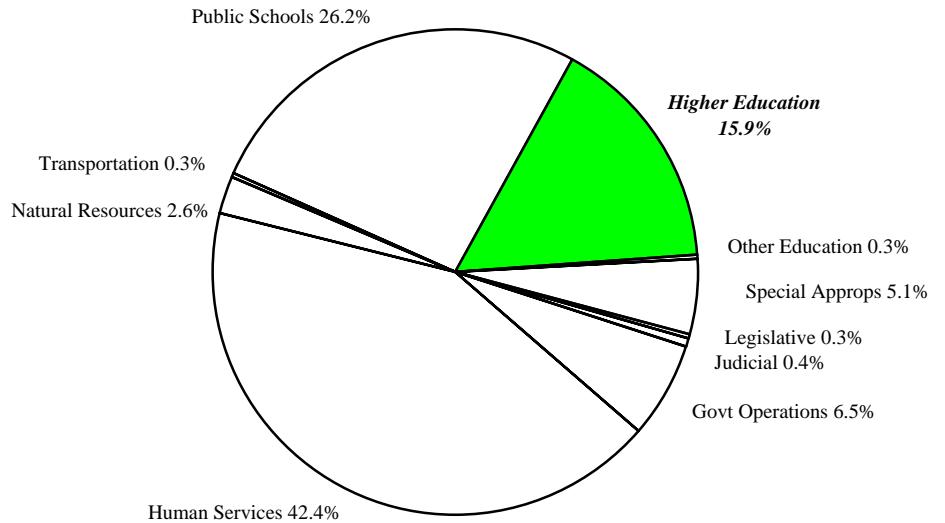
A total of \$4.3 million is provided for life sciences research throughout the state. This includes the following projects:

- \$2.4 million for UW to increase its capacity to conduct life sciences research. State funding will be leveraged with private and federal investments.
- \$1 million for WSU for the development of life sciences research located in Spokane. The research will focus on developing and implementing new medical treatment therapies.
- \$0.9 million for the Life Sciences Discovery Fund Authority for start-up costs. Legislation from 2005 created the Life Sciences Discovery Fund Authority to provide grants for life sciences research.

A total of \$0.8 million is provided for WSU for the operation of the AgNetWeather System. The system will provide data for fire services, scientists predicting movement of airborne particulates, and for additional weather-dependent state and private agricultural, natural resource, and environmental activities throughout the state.

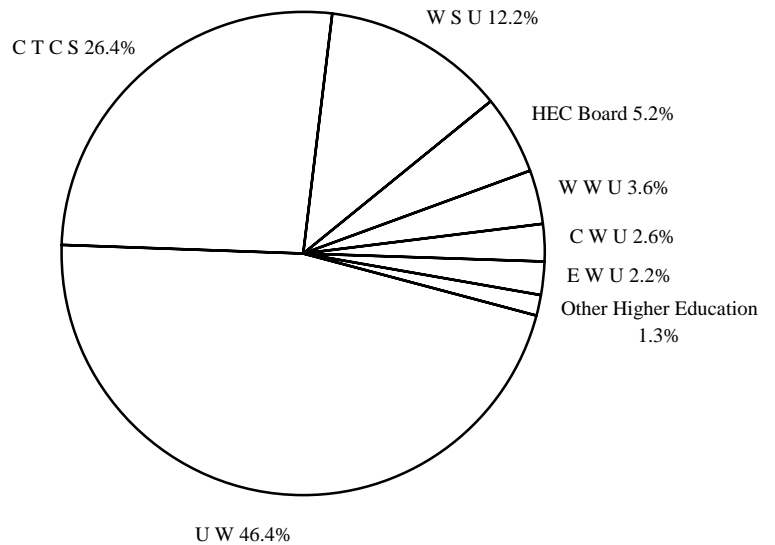
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
Statewide Total	51,288,737



Washington State

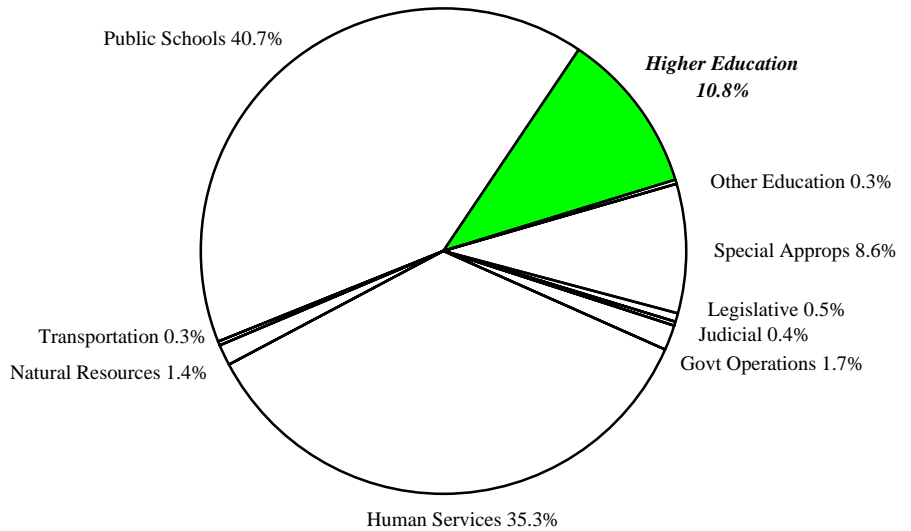
Univ of Washington	3,786,974
C T C S	2,157,991
Washington State Univ	995,536
Higher Ed Coord Bd	424,643
Western Washington Univ	293,587
Central Washington Univ	214,419
Eastern Washington Univ	182,116
Other Higher Education	107,361
Higher Education	8,162,627



Higher Education

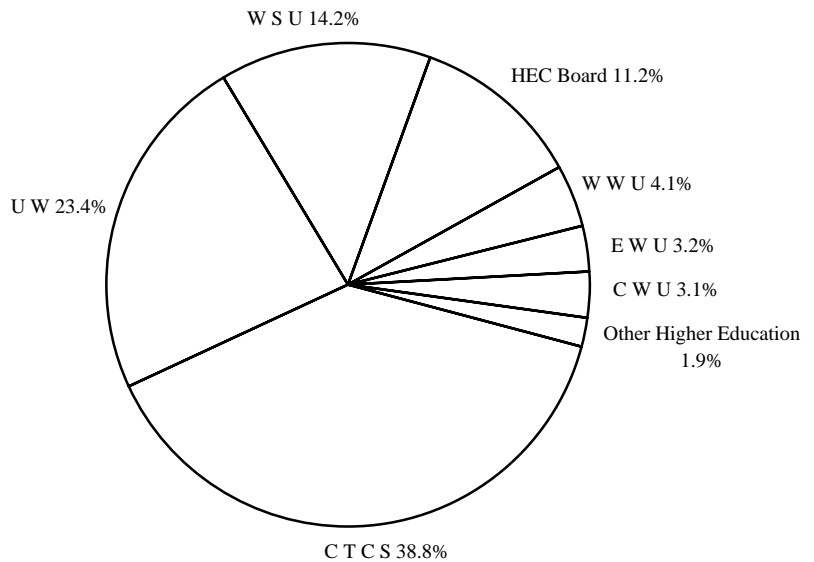
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

C T C S	1,145,750
Univ of Washington	690,218
Washington State Univ	420,006
Higher Ed Coord Bd	331,507
Western Washington Univ	120,428
Eastern Washington Univ	93,500
Central Washington Univ	92,347
Other Higher Education	55,558
Higher Education	2,949,314



Higher Education

Higher Education
FTE Student Enrollment History
By Academic Year

	Actual Enrollment							Budgeted	
	<u>1998-99¹</u>	<u>1999-00¹</u>	<u>2000-01¹</u>	<u>2001-02¹</u>	<u>2002-03¹</u>	<u>2003-04¹</u>	<u>2004-05¹</u>	<u>2005-06</u>	<u>2006-07</u>
Community & Technical Colleges	121,302	125,131	135,356	133,962	139,753	138,241	131,489	130,905	133,227
General Enrollment	114,885	117,623	128,093	124,850	127,604	138,241	131,489	123,469	125,604
Dislocated Workers	6,417	7,508	7,263	9,112	12,149	11,453	8,392	7436	7436
High Demand ⁽²⁾	0	0	0	0	0	0	0	0	187
Four-Year Schools	81,814	82,734	84,784	87,969	89,511	90,075	91,358	89,248	91,591
University of Washington	33,592	34,058	34,966	36,647	36,963	36,316	36,357	36021	36776
Washington State University ⁽³⁾	19,148	18,983	19,473	19,955	20,311	20,542	21,157	20739	21400
Eastern Washington University	7,244	7,712	8,081	8,421	8,700	8,956	9,126	8593	8919
Central Washington University	7,471	7,463	7,287	7,672	8,106	8,657	8,885	8323	8649
The Evergreen State College	3,822	3,697	3,786	4,009	4,054	4,099	4,120	4038	4143
Western Washington University ⁽⁴⁾	10,537	10,821	11,191	11,265	11,377	11,505	11,713	11534	11704
HECB Timber Workers ⁽⁵⁾	177	45	48	0	0	0	0	0	0
HECB High-Demand Programs ⁽⁶⁾	0	0	0	0	0	0	0	0	80
Total Higher Education	203,116	207,865	220,140	221,931	229,264	228,316	222,847	220,153	224,898

⁽¹⁾ Actual enrollments were greater than budgeted levels in these years. Institutions are permitted to enroll over budgeted levels and to support the additional student FTEs with tuition and fees.

⁽²⁾ In the 2006 supplemental operating budget, the State Board for Community and Technical Colleges was directed to allocate 187 high-demand FTES to the Community and Technical College System for the 2006-07 academic year.

⁽³⁾ In the 2005-07 operating budget, Washington State University's Pullman campus enrollment is understated by 16 FTEs in 2005-06 and by 32 FTEs in 2006-07. The corrected amounts are reflected above.

⁽⁴⁾ In the 2005-07 operating budget, Western Washington University's enrollment is overstated by 25 FTEs in 2005-06 and by 25 FTEs in 2006-07. The corrected amounts are reflected above.

⁽⁵⁾ Actual Timber Worker enrollments reported for 1998-99 include Pullman extended degree students. The program itself was allowed to sunset being replaced by a rural community development grant program at the start of the 2001-03 biennium.

⁽⁶⁾ In the 2006 supplemental operating budget, the Higher Education Coordinating Board was directed to allocate 80 high-demand FTES to the public regional institutions and The Evergreen State College for the 2006-07 academic year.

Higher Education

Budgeted Enrollment Increases

By Academic Year

	FTE Student Enrollment				
	Budgeted Level 2004-05	Increase for 2005-06	Total Budgeted 2005-2006	Increase for 2006-07	Total Budgeted 2006-2007
Community & Technical Colleges	128,855	2,050	130,905	2,322	133,227
General Enrollments	121,163	2,050	123,213	2,135	125,348
High Demand ⁽¹⁾	256	0	256	187	443
Dislocated Workers	7,436	0	7,436	0	7,436
Four-Year Schools	76,250	1,464	77,714	2,173	91,671
University of Washington ⁽²⁾	35,666	355	36,021	755	36,776
Seattle	32,857	180	33,037	180	33,217
Bothell	1,265	75	1,340	200	1,540
Tacoma	1,544	100	1,644	225	1,869
Math and Science Enrollments ⁽³⁾	0	0	0	150	150
Washington State University ⁽²⁾	20,383	356	20,739	581	21,400
Pullman (includes Spokane) ⁽⁴⁾	18,480	231	18,711	231	18,942
Tri-Cities	675	0	675	25	700
Vancouver	1,228	125	1,353	325	1,678
Math and Science Enrollments ⁽³⁾	0	0	0	80	80
Eastern Washington University	8,269	324	8,593	326	8,919
Central Washington University	7,999	324	8,323	326	8,649
The Evergreen State College	3,933	105	4,038	105	4,143
Western Washington University ⁽⁵⁾	11,364	170	11,534	170	11,704
HECB High-Demand Programs ⁽⁶⁾	0	0	0	80	80
Total Higher Education	205,105	3,514	208,619	4,495	224,898

⁽¹⁾ In the 2006 supplemental operating budget, the State Board for Community and Technical Colleges was directed to allocate 187 high-demand FTES to the Community and Technical College System for the 2006-07 academic year.

⁽²⁾ Subject to reporting requirements, the research universities may reassign budgeted FTES from a main campus (Seattle, Pullman) to any of its respective branch campuses at the start of an academic year.

⁽³⁾ In the 2006 supplemental operating budget, 150 FTES in high-demand math and science related fields were allocated to the University of Washington, and 80 FTES in high-demand math and science related fields were allocated to Washington State University.

⁽⁴⁾ In the 2005-07 operating budget, Washington State University's Pullman campus enrollment is understated by 16 FTES in 2005-06 and by 32 FTES in 2006-07. The corrected amounts are reflected above.

⁽⁵⁾ In the 2005-07 operating budget, Western Washington University's enrollment is overstated by 25 FTES in 2005-06 and by 25 FTES in 2006-07. The corrected amounts are reflected above.

⁽⁶⁾ In the 2006 supplemental operating budget, the Higher Education Coordinating Board was directed to allocate 80 high-demand FTES to the public regional institutions and The Evergreen State College for the 2006-07 academic year.

Community & Technical College System

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,112,719	1,007,345	2,120,064
Total Maintenance Changes	13,575	259	13,834
Policy Changes			
1. Facilities Maintenance	4,599	0	4,599
2. Applied BA and Co-Location Costs	1,060	0	1,060
3. Transitions Math Project	275	0	275
4. Pension Plan 1 Unfunded Liabilities	0	1,556	1,556
5. Classification Revisions	193	6	199
6. Utility Rate Adjustments	761	0	761
7. Central Service Agency Charges	25	0	25
8. Opportunity Grants	4,075	0	4,075
9. Job Skills Program	1,000	0	1,000
10. Consortium University Contracts	325	0	325
11. Customized Workforce Training	3,150	3,075	6,225
12. Faculty Increments	1,500	0	1,500
13. Firefighter Apprenticeship Program	150	0	150
14. Health Care Partnerships	150	0	150
15. High-Demand Enrollments	1,500	0	1,500
16. Nursing Faculty Pilot	140	0	140
17. Part-Time Health Benefits	768	0	768
18. Governor Veto	-215	0	-215
Total Policy Changes	19,456	4,637	24,093
2005-07 Revised Appropriations	1,145,750	1,012,241	2,157,991
Fiscal Year 2006 Total	558,880	492,902	1,051,782
Fiscal Year 2007 Total	586,870	519,339	1,106,209

Comments:

1. **Facilities Maintenance** - Funding is provided for the maintenance and operation of state-funded projects that will be occupied in the 2005-07 biennium. Funding is also provided for instructional facilities financed with Certificates of Participation.

2. **Applied BA and Co-Location Costs** - Funding is provided to the Board for implementation of Chapter 258, Laws of 2005 (E2SHB 1794), which authorized up to four community or technical colleges to offer baccalaureate degrees on a pilot basis. Funding includes one-time start-up costs for developing applied baccalaureate degrees on community and technical college campuses (\$400,000) as well as the ongoing cost of program funding (\$504,000).

Funding is also provided for three community and technical college partnerships with universities (\$156,000) as authorized in RCW 28B.50.820. Funds are in addition to funding provided for 2005-07 general growth enrollments. The Community and Technical College System (CTCS) shall serve 120 student FTEs in this program within the targeted enrollments established by the budget.

3. **Transitions Math Project** - One-time funding is provided to address the need to reduce remedial math courses taken at institutions of higher education. The project will bring together representatives from the K-12 system, CTCS, and

public four-year institutions to: 1) provide outreach and standards-based instructional materials to support local high school and college partnerships for the purpose of enhancing student expectations regarding college-level math courses; and 2) improve the math placement testing process. The Board will serve as fiscal agent for the project.

4. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)

5. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)

6. **Utility Rate Adjustments** - One-time funding is provided for assistance in managing recent increases in natural gas rates during FY 2006. The funding provides the General Fund-State share of a 17.5 percent increase in natural gas costs.

Community & Technical College System

7. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
8. **Opportunity Grants** - Funding is provided for the Board to develop and implement opportunity grant programs at selected colleges. The opportunity grants will provide low-income students enrolled in the program with funding to cover the costs of workforce education, which may include tuition, books, fees, and other expenses associated with participating in the program. Additionally, in consultation with other agencies and groups, the Board is directed to identify high-demand occupations using industry groups and to develop skills-based credentials for high-demand sectors. The Governor vetoed \$75,000 of this appropriation (see veto item below).
9. **Job Skills Program** - Funding is provided for expansion of the Job Skills program. Funds will be matched by employers as part of the requirements of the Job Skills program. Additionally, the Board, through the SmartBuy program, is encouraged to seek efficiencies in purchasing goods and services. Additional funds may be expended for the Job Skills program to the extent that savings are achieved from more efficient procurement processes.
10. **Consortium University Contracts** - Funding is provided for the North Snohomish Island Skagit Counties Consortium for Higher Education to implement Chapter 179, Laws of 2006 (SHB 3113). These funds are in addition to funding provided for 2005-07 general growth enrollments provided in the budget. The Consortium shall serve 250 student FTEs through the university contract model within the targeted enrollments established by the enacted operating budget.
11. **Customized Workforce Training** - Chapter 112, Laws of 2006 (2SSB 6326), establishes the Washington Customized Employment Workforce Training program, which directs the Board to award training allowances to employers who have entered into training agreements with local colleges. Over a period of 18 months, the employers will pay back the cost of the training.

The sum of \$75,000 is provided to the Board for administration of the program. The legislation also establishes the Employment Training Finance Account, which serves as a revolving loan account for the training program. A total of \$3,075,000 General Fund-State is deposited into the new account for the purposes of implementing the legislation.
12. **Faculty Increments** - Funding is provided for additional faculty increments at the community and technical colleges. The amount provided shall be allocated proportionally to part-time and full-time faculty based on their respective salary bases.
13. **Firefighter Apprenticeship Program** - Funding is provided for the firefighter apprenticeship program at South Seattle Community College.
14. **Health Care Partnerships** - Matching funds are provided for strategic statewide partnerships with health care providers or facilities to address the health workforce shortage. Partnerships may include efforts to increase the capacity of community and technical colleges to educate students enrolled in health professions programs, improve retention of health care workers, improve knowledge of the health industry workforce, and increase the number of youth and diverse populations in the health workforce.
15. **High-Demand Enrollments** - Funding is provided for 187 high-demand enrollments at an average state subsidy rate of \$8,000 per FTE enrollment per year. High-demand fields are programs where enrollment access is limited and employers are experiencing difficulty finding qualified graduates to fill job openings.
16. **Nursing Faculty Pilot** - Funding is provided to implement a nursing faculty retention and recruitment pilot project. Yakima Valley Community College and another community college located in the western part of the state will receive funding to raise the nursing faculty salaries by \$10,000 for FY 2007. The Board will select the additional college. The Board will also submit findings on the pilot project's impact on nursing faculty retention and recruitment to the Legislature by January 1, 2007. The Governor vetoed this appropriation (see veto item below).
17. **Part-Time Health Benefits** - Funding is provided to maintain health care benefits for part-time academic employees at community and technical colleges as outlined in Chapter 308, Laws of 2006 (2SHB 2583).
18. **Governor Veto** - The Governor vetoed three provisos of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), pertaining to the Board.

Section 602(16) provides \$75,000 for the Board to identify high demand occupations using industry groups and to develop skills-based credentials for high demand sectors.

Section 602(22) provides \$140,000 for a nursing faculty retention and recruitment pilot project.

Section 602(25) indicated there is sufficient funding in the Board's budget to implement E2SHB 2582 (High School Completion). The bill did not pass the Legislature during the 2006 session.

University of Washington

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	680,762	3,093,928	3,774,690
Policy Changes			
1. BioE & Genome Bldgs O&M	2,000	0	2,000
2. Global Health Initiative	500	0	500
3. Pacific NW Seismic Network	400	0	400
4. Life Sciences Research	2,400	0	2,400
5. Pension Plan 1 Unfunded Liabilities	0	2,892	2,892
6. Classification Revisions	-69	-70	-139
7. Utility Rate Adjustments	1,008	0	1,008
8. Central Service Agency Charges	17	6	23
9. UW-Tacoma Autism Center	100	0	100
10. Math and Science Enrollments	2,500	0	2,500
11. People of Color Curriculum Review	125	0	125
12. Burke Museum Educational Programs	150	0	150
13. MESA Outreach	300	0	300
14. WA Search for Young Scholars	150	0	150
15. Governor Veto	-125	0	-125
Total Policy Changes	9,456	2,828	12,284
2005-07 Revised Appropriations	690,218	3,096,756	3,786,974
Fiscal Year 2006 Total	337,629	1,533,170	1,870,799
Fiscal Year 2007 Total	352,589	1,563,586	1,916,175

Comments:

- BioE & Genome Bldgs O&M** - Funding is provided for the 2005-07 biennium to pay for operations and maintenance (O&M) costs of the Bioengineering and Genome Sciences buildings that will come on line during the 2005-07 biennium.
- Global Health Initiative** - Funding is provided for the University of Washington (UW) to help implement a Department of Global Health. The Schools of Medicine and Public Health and Community Medicine will jointly form and operate the Department. The focus will be establishing sustainable improvements in global health through public health policy, practice, and medical care.
- Pacific NW Seismic Network** - Funding is provided for enhancements to the Pacific Northwest Seismic Network (PNSN). PNSN will be able to upgrade their basic operations and information infrastructure and improve production of shake maps, which will include incorporating fragility assessments into the shake maps.
- Life Sciences Research** - Funding is provided for UW to increase its capacity for life sciences research in conjunction with its medical school. State funding will be leveraged with private and federal investments.
- Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
- Utility Rate Adjustments** - One-time funding is provided for assistance in managing recent increases in natural gas rates during FY 2006. The funding provides the General Fund-State share of a 17.5 percent increase in natural gas costs.
- Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- UW-Tacoma Autism Center** - Funding is provided for service delivery enhancements at the Autism Center at the UW-Tacoma campus.
- Math and Science Enrollments** - Funding is provided for 150 additional high-demand student enrollments. The UW will expand access to baccalaureate programs in engineering, math, and science. By December 15, 2006, the UW shall report to OFM and the legislative fiscal committees the number of new student FTEs enrolled with the funding provided.

University of Washington

11. **People of Color Curriculum Review** - Funding to conduct a review of curriculum offered by public schools in Washington. The purpose of this review is to examine the extent to which the curriculum offered by these institutions fully and accurately include the history, contributions, and contemporary experiences of people of color. The review will include the identification of barriers which may impede school districts from successfully adopting and using these types of curriculum. A report by UW is due to the Legislature by December 1st, 2007. The Governor vetoed this appropriation (see veto item below).
12. **Burke Museum Educational Programs** - Funding is provided for the Museum to develop and present additional traveling educational exhibits and supporting curriculum.
13. **MESA Outreach** - Additional funding is provided for Math Engineering Science Achievement (MESA) Washington to increase the number of hands-on math and science programs for K-12 students throughout the state. Washington State University will sponsor expansion into the Yakima Valley and southwest Washington. UW will sponsor work with tribal schools throughout the state.
14. **WA Search for Young Scholars** - Funding is provided to expand the Washington Search for Young Scholars program at the Robinson Center at UW.
15. **Governor Veto** - The Governor vetoed Section 603(18) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provides \$125,000 to study curriculum offered by Washington State public schools and how the curriculum represents the history, contributions, and contemporary experiences of people of color.

Washington State University

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	418,364	575,144	993,508
Total Maintenance Changes	-2,611	0	-2,611
Policy Changes			
1. Lower Division Planning Funds	250	0	250
2. Pension Plan 1 Unfunded Liabilities	0	427	427
3. Classification Revisions	-208	-41	-249
4. Utility Rate Adjustments	716	0	716
5. Central Service Agency Charges	23	0	23
6. Agricultural Weather Network	800	0	800
7. Biologically Intensive & Organic Ag	400	0	400
8. Biofuels Energy Extension Program	98	0	98
9. Math and Science Enrollments	1,174	0	1,174
10. Life Sciences Research	1,000	0	1,000
11. Local Government Publication	5	0	5
12. Governor Veto	-5	0	-5
Total Policy Changes	4,253	386	4,639
2005-07 Revised Appropriations	420,006	575,530	995,536
Fiscal Year 2006 Total	206,511	283,075	489,586
Fiscal Year 2007 Total	213,495	292,455	505,950

Comments:

- Lower Division Planning Funds** - Funding is provided to Washington State University (WSU) Tri-Cities to assist in the transition from a branch campus serving upper-division students to a four-year campus as outlined in Chapter 166, Laws of 2006 (SHB 2867). Funds may be used to develop curricula, recruit new faculty, and expand student services. WSU Tri-Cities may begin enrolling lower-division students beginning in Fall 2007.
- Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
- Utility Rate Adjustments** - One-time funding is provided for assistance in managing recent increases in natural gas rates during FY 2006. The funding provides the General Fund-State share of a 17.5 percent increase in natural gas costs.
- Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- Agricultural Weather Network** - Funding is provided for WSU to operate the AgWeatherNet system. The system will provide data for fire services, scientists predicting movement of airborne particulates, and additional weather-dependent state and private agricultural, natural resource, and environmental activities throughout the state.
- Biologically Intensive & Organic Ag** - Funding is provided to the Center for Sustaining Agriculture and Natural Resources to create a Biologically Intensive and Organic Agriculture Program (BIOAg). The mission of the BIOAg program is to enhance the economic and environmental health of Washington agriculture through research, education and outreach on organic and other biologically-intensive farming methods.
- Biofuels Energy Extension Program** - Funding is provided to establish a Biofuels Consumer Education and Outreach Program at the WSU Extension Energy Program.
- Math and Science Enrollments** - Funding is provided for 80 additional high-demand student enrollments. WSU will expand baccalaureate and graduate level access to nursing programs and to expand baccalaureate programs in engineering and construction management. By December 15, 2006, WSU shall report to OFM and the legislative fiscal committees the number of new student FTEs enrolled with the funding provided.

Washington State University

10. **Life Sciences Research** - Funding is provided for the development of life sciences research located in Spokane. The research will focus on developing and implementing new medical treatment therapies.
11. **Local Government Publication** - Funding is provided for the Division of Governmental Studies and Services to publish a comprehensive reference book on Washington State local governments. Copies of the publication will be provided to the appropriate policy and fiscal committees of the Legislature. The Governor vetoed this appropriation (see veto item below).
12. **Governor Veto** - The Governor vetoed Section 604(14) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provides \$5,000 to WSU to publish a comprehensive reference book on Washington State local governments.

Eastern Washington University

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	93,206	88,494	181,700
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	124	124
2. Classification Revisions	14	-2	12
3. Utility Rate Adjustments	158	0	158
4. Central Service Agency Charges	22	0	22
5. Northwest Autism Center	100	0	100
Total Policy Changes	294	122	416
2005-07 Revised Appropriations	93,500	88,616	182,116
Fiscal Year 2006 Total	46,300	40,959	87,259
Fiscal Year 2007 Total	47,200	47,657	94,857

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Utility Rate Adjustments** - One-time funding is provided for assistance in managing recent increases in natural gas rates during FY 2006. The funding provides the General Fund-State share of a 17.5 percent increase in natural gas costs.
4. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
5. **Northwest Autism Center** - Funding is provided for enhancements at the Northwest Autism Center for the inclusive preschool for children identified with autism spectrum disorder.

Central Washington University

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	92,118	122,292	214,410
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	110	110
2. Classification Revisions	2	0	2
3. Utility Rate Adjustments	206	0	206
4. Central Service Agency Charges	21	0	21
5. Tuition Waiver	330	-330	0
6. Governor Veto	-330	0	-330
Total Policy Changes	229	-220	9
2005-07 Revised Appropriations	92,347	122,072	214,419
Fiscal Year 2006 Total	45,586	57,995	103,581
Fiscal Year 2007 Total	46,761	64,077	110,838

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
- 3. Utility Rate Adjustments** - One-time funding is provided for assistance in managing recent increases in natural gas rates during FY 2006. The funding provides the General Fund-State share of a 17.5 percent increase in natural gas costs.
- 4. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
- 5. Tuition Waiver** - Funding is provided for additional tuition waiver authority granted to Central Washington University (CWU) in the 2005-07 biennial budget. The Legislature increased CWU's tuition waiver authority from 8 percent to 11 percent. The Governor vetoed this appropriation (see veto item below).
- 6. Governor Veto** - The Governor vetoed Section 606(5) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provides \$330,000 for additional tuition waiver authority granted to CWU in the 2005-07 biennial budget.

The Evergreen State College

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	51,760	50,323	102,083
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	77	77
2. Classification Revisions	19	0	19
3. Utility Rate Adjustments	69	0	69
4. Central Service Agency Charges	9	0	9
5. Education Cost-Benefit Study	125	0	125
6. Foster Care to Age 21 Study	61	0	61
7. Hood Canal Oral Histories	20	0	20
8. Hearing Impaired Students	55	0	55
9. Remediation Programs Study	50	0	50
10. High School Assessment System	275	0	275
11. Children's Mental Health Pilots	30	0	30
12. Labor Research and Education Ctr	80	0	80
13. Reinvesting in Youth Program	40	0	40
14. Studies on Controlled Substances	48	0	48
15. Governor Veto	-80	0	-80
Total Policy Changes	801	77	878
2005-07 Revised Appropriations	52,561	50,400	102,961
Fiscal Year 2006 Total	25,661	24,510	50,171
Fiscal Year 2007 Total	26,900	25,890	52,790

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Utility Rate Adjustments** - One-time funding is provided for assistance in managing recent increases in natural gas rates during FY 2006. The funding provides the General Fund-State share of a 17.5 percent increase in natural gas costs.
4. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
5. **Education Cost-Benefit Study** - Funding is provided for the Washington State Institute for Public Policy (WSIPP) to begin the development of a repository of research and evaluations of the cost-benefits of various K-12 educational programs and services. The goal for the effort is to allow policymakers to have additional information to aid in decision making. Further, the legislative intent for this effort is not to duplicate current studies, research, and evaluations but rather to augment those activities on an ongoing basis. Therefore, to the extent appropriate, WSIPP will utilize and incorporate information from the Washington Learns study, the Joint Legislative and Audit Review Committee, and other entities currently reviewing certain aspects of K-12 finance and programs. WSIPP shall provide the following: 1) by September 1, 2006, a detailed implementation plan for this project; 2) by March 1, 2007, a report with preliminary findings; and 3) annual updates each year thereafter.
6. **Foster Care to Age 21 Study** - Funding is provided for WSIPP to conduct the study of continued foster care support services outlined in Chapter 266, Laws of 2006 (2SHB 2002).
7. **Hood Canal Oral Histories** - Funding is provided for The Evergreen State College to record and document oral histories of tribal elders of the tribes in the area surrounding Hood Canal and other long-term residents of the Hood Canal area who have similar knowledge of the history of the conditions along Hood Canal, including but not limited to reports of fish kills, changes in marine species behavior, fishing and harvesting histories, and other conditions related to the environmental health of Hood Canal.
8. **Hearing Impaired Students** - Funding is provided for WSIPP to hire a meeting facilitator to conduct a series of meetings with a broad group of stakeholders to examine the strengths and

The Evergreen State College

weaknesses of educational services available to deaf and hard-of-hearing children throughout the state. By June 30, 2007, WSIPP must develop recommendations that would establish an integrated system of instructional and support programs that would provide deaf and hard-of-hearing children the knowledge and skills necessary for them to be successful in their adult lives and the "hearing" world of work.

neighboring states criminal sentencing provisions related to methamphetamine to determine if these provisions provide an incentive for traffickers and manufacturers to relocate to Washington. Second, WSIPP will study Drug Offenders Sentencing Alternative's (DOSAs) impact on recidivism rates for offenders participating in DOSA relative to offenders receiving community treatment or no treatment at all. WSIPP shall report its findings to the Legislature by January 1, 2007.

9. **Remediation Programs Study** - Funding is provided for WSIPP to perform a quantitative analysis of the effectiveness of the remedial programs funded as part of the promoting academic success program. The analysis should focus on determining: a) the effectiveness of the remedial programs in helping students pass the Washington Assessment of Student Learning (WASL); b) the relative effectiveness of different remedial strategies offered; and c) the relative effectiveness of the remediation disaggregated by student characteristics, including, at a minimum, economic status, limited English proficiency, and ethnicity.
10. **High School Assessment System** - Funding is provided for WSIPP to conduct the study required by Chapter 352, Laws of 2006 (SSB 6618). Specifically, the study will consist of three components: 1) an analysis of WASL data to identify the characteristics of the students who have failed to meet standards; 2) a review and identification of additional alternative assessment options that will augment the current assessment system; and 3) a review and identification of additional alternative methods, procedures, or combinations of performance measures to assess whether students have met the state learning standards. WSIPP must provide an interim report by December 1, 2006, and a final report by December 2007.
11. **Children's Mental Health Pilots** - Funding is provided for WSIPP to begin a study of the Department of Social and Health Services (DSHS) children's mental health evidence-based pilot program. The pilot program is established in the FY 2006 supplemental budget and will be administered by the DSHS Mental Health Division, in collaboration with the DSHS Children's and Juvenile Rehabilitation Administrations.
12. **Labor Research and Education Ctr** - Funding is provided for collective bargaining and bargaining unit training. The entire amount provided shall be allocated to the Labor Education and Research Center to support such training and shall not be used for overhead expenses. The Governor vetoed this appropriation (see veto item below).
13. **Reinvesting in Youth Program** - Funding is provided for implementation of Chapter 304, Laws of 2006 (4SHB 1483). WSIPP is directed to update the list of cost-beneficial juvenile justice programs that the Institute has previously published and to update the cost parameters used to estimate the benefits of such programs.
14. **Studies on Controlled Substances** - Funding is provided for WSIPP to conduct the two studies required by Chapter 339, Laws of 2006 (E2SSB 6239). First, WSIPP will study
15. **Governor Veto** - The Governor vetoed Section 607(7) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which provides \$80,000 for the Labor Education and Research Center for collective bargaining and bargaining unit training.

Western Washington University

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	119,410	172,968	292,378
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	191	191
2. Classification Revisions	-2	0	-2
3. Utility Rate Adjustments	98	0	98
4. Central Service Agency Charges	22	0	22
5. Expansion to Bellingham Waterfront	400	0	400
6. Planning & Emergency Mgmt Program	250	0	250
7. Border Policy Research Institute	250	0	250
Total Policy Changes	1,018	191	1,209
2005-07 Revised Appropriations	120,428	173,159	293,587
Fiscal Year 2006 Total	58,993	83,624	142,617
Fiscal Year 2007 Total	61,435	89,535	150,970

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Utility Rate Adjustments** - One-time funding is provided for assistance in managing recent increases in natural gas rates during FY 2006. The funding provides the General Fund-State share of a 17.5 percent increase in natural gas costs.
4. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
5. **Expansion to Bellingham Waterfront** - One-time funding is provided to help coordinate planning efforts related to the campus expansion of Western Washington University (WWU) to the Bellingham waterfront. Planning efforts will be made in conjunction with the city of Bellingham, Whatcom Community and Technical College, Bellingham Technical College, Whatcom County, and the Port of Bellingham.
6. **Planning & Emergency Mgmt Program** - Funding is provided to establish a Planning and Emergency Management program at WWU.
7. **Border Policy Research Institute** - Funding is provided for enhancements at WWU's Border Policy Research Institute.

Higher Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	329,346	92,916	422,262
Total Maintenance Changes	162	175	337
Policy Changes			
1. High-Demand Enrollments	900	0	900
2. GEAR-UP Stabilization	75	0	75
3. Transfers	0	0	0
4. Pension Plan 1 Unfunded Liabilities	0	40	40
5. Central Service Agency Charges	13	5	18
6. Future Teacher Scholarships	511	0	511
7. Leadership 1000 Scholarships	500	0	500
Total Policy Changes	1,999	45	2,044
2005-07 Revised Appropriations	331,507	93,136	424,643
Fiscal Year 2006 Total	162,115	45,033	207,148
Fiscal Year 2007 Total	169,392	48,103	217,495

Comments:

1. **High-Demand Enrollments** - Funding is provided for the Board to contract with regional universities and The Evergreen State College to provide high-demand enrollments. Funding is sufficient to provide 80 enrollments at an average state subsidy rate of \$11,000 per FTE enrollment per year.
2. **GEAR-UP Stabilization** - Additional funding is provided for Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP) scholarships. GEAR-UP is a joint federal and state outreach effort to encourage low-income and educationally-disadvantaged middle and high school students to prepare for college. Participating students earn scholarships by completing coursework and other activities before entering college. A funding shortfall is projected for FY 2007 due to higher levels of student participation. Additional funding is provided for qualified students to receive the scholarships they earned.
3. **Transfers** - The Board's administration of scholarships and financial aid programs are transferred from the Board's financial aid and grants section to the Board's policy coordination and administration section. The net effect to the agency is zero.
4. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
5. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
6. **Future Teacher Scholarships** - Funding is provided for the future teachers' conditional scholarship and loan repayment program for the expansion of scholarships provided for future teachers in mathematics, science, special education, and bilingual education, including assistance to classified public K-12 employees earning a teaching certificate with an emphasis on earning an endorsement in these fields.
7. **Leadership 1000 Scholarships** - Funding is provided for the board to contract with the Leadership 1000 Scholarship Program. The program matches private benefactors with selected economically-disadvantaged students who have exhausted all other sources of scholarship and financial aid and would otherwise be unable to attend college. The state funding will be leveraged with private donations to support, develop, and implement the program.

Spokane Intercollegiate Research & Technology Inst

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	2,922	1,395	4,317
Total Maintenance Changes	74	0	74
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	8	8
2. Central Service Agency Charges	1	0	1
Total Policy Changes	1	8	9
2005-07 Revised Appropriations	2,997	1,403	4,400
Fiscal Year 2006 Total	1,483	690	2,173
Fiscal Year 2007 Total	1,514	713	2,227

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

Other Education

Department of Early Learning

Pursuant to Chapter 265, Laws of 2006 (2SHB 2964), a total of \$1.5 million is provided in one-time and ongoing funding related to the establishment of the new Department of Early Learning (DEL), which is a cabinet-level agency. Duties transferred either through the legislation or from an assumed transfer agreement with other state agencies to the newly-created DEL include: state employee childcare; state policy and licensing of childcare; the Working Connections Child Care subsidy program; the Head Start Collaboration Office; and the Early Childhood Education and Assistance Program.

A total of \$1.0 million is provided for the child care career and wage ladder program established in Chapter 507, Laws of 2005, Partial Veto (SHB 1636), allowing participating licensed child care centers to receive supplemental state funding to base wages upon experience, education, and responsibility.

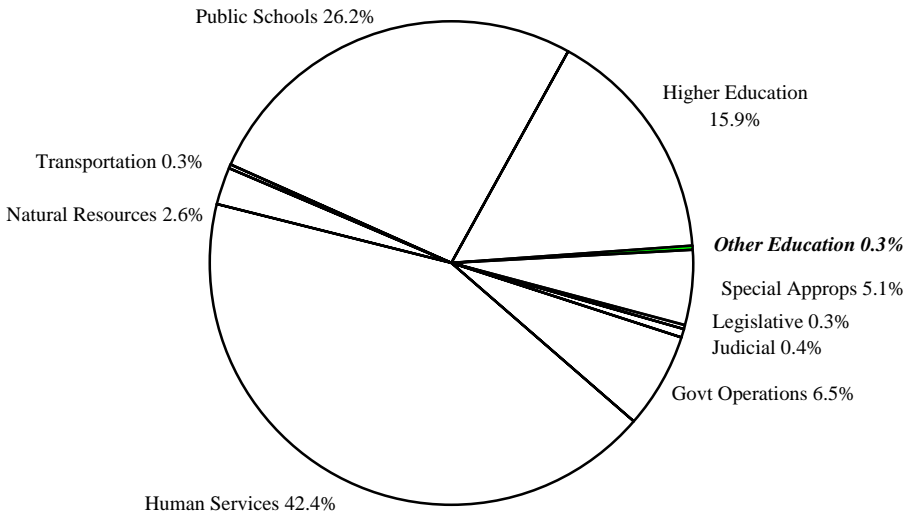
A total of \$0.4 million is provided to expand the Early Reading Grant Program in DEL, which supports community-based initiatives that develop pre-reading and early reading skills through parental and community involvement, public awareness, and partnerships with local school districts. Pursuant to Chapter 120, Laws of 2006 (SHB 2836), the amount will be deposited into the newly-established Reading Achievement Account.

Washington State Historical Society

A total of \$0.5 million is provided for increased costs associated with the discovery of Native American remains at the Station Camp Unit in Lewis and Clark Historic Park.

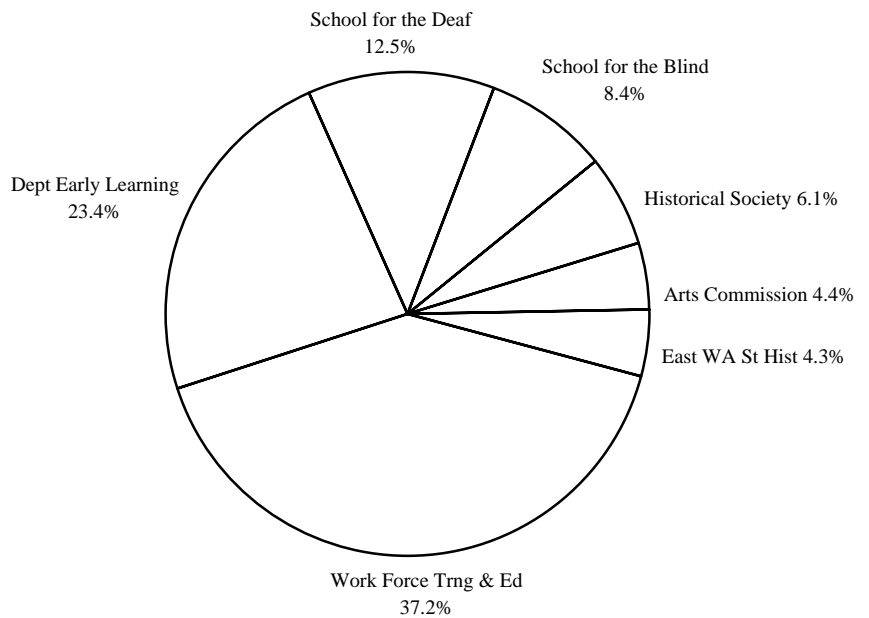
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
Special Appropriations	2,595,329
Statewide Total	51,288,737



Washington State

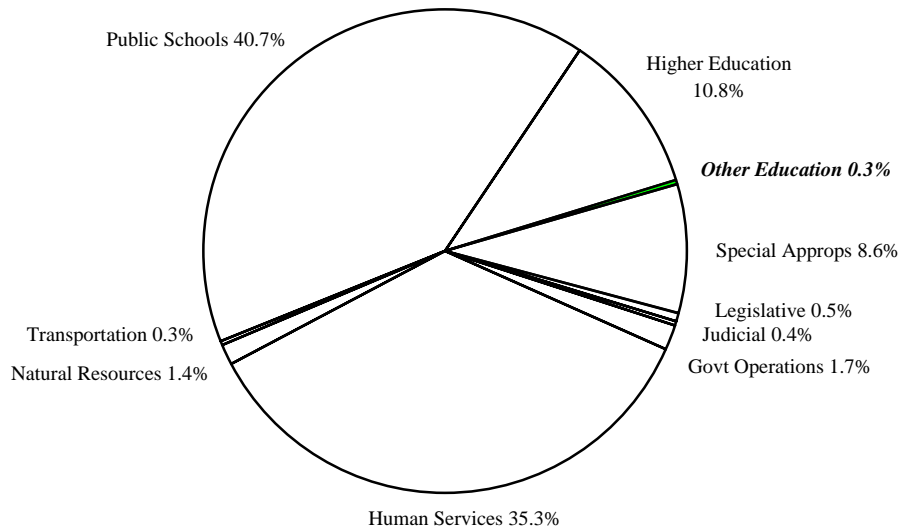
Work Force Trng & Ed	56,987
Dept Early Learning	32,784
School for the Deaf	17,430
School for the Blind	11,807
Historical Society	8,571
State Arts Comm	6,185
East WA State Hist Society	6,082
Other Education	139,846



Other Education

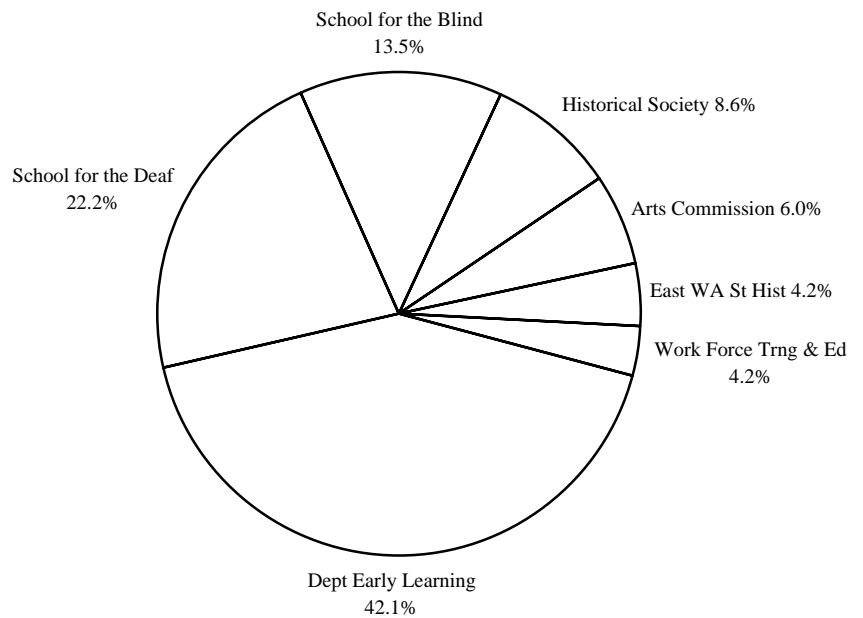
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
Special Appropriations	2,349,573
Statewide Total	27,297,906



Washington State

Dept Early Learning	32,604
School for the Deaf	17,148
School for the Blind	10,434
Historical Society	6,661
State Arts Comm	4,678
East WA State Hist Society	3,264
Work Force Trng & Ed	2,586
Other Education	77,375



Other Education

Department of Early Learning

(Dollars in Thousands)

	GF-S	Other	Total
Policy Changes			
1. Early Reading Initiative	125	0	125
2. Head Start State Collaboration	0	180	180
3. Early Child Education Assistance	29,941	0	29,941
4. New Agency Operations	1,138	0	1,138
5. Child Care Career & Wage Ladder	1,000	0	1,000
6. Expand Early Reading Initiative	400	0	400
Total Policy Changes	32,604	180	32,784
2005-07 Revised Appropriations	32,604	180	32,784
Fiscal Year 2006 Total	100	0	100
Fiscal Year 2007 Total	32,504	180	32,684

Comments:

1. **Early Reading Initiative** - Amounts associated with the Early Reading Initiative are transferred from the Office of the Superintendent of Public Instruction (OSPI) to the Department of Early Learning (DEL) beginning in FY 2007. The Early Reading Initiative provides grants for community-based initiatives to develop pre-reading and early reading skills through parental and community involvement, public awareness, coordination of resources, and partnerships with local school districts. Five local and regional proposals were funded through OSPI in FY 2006.
2. **Head Start State Collaboration** - Amounts associated with the Head Start Collaboration Office are transferred from the Department of Social and Health Services (DSHS) to DEL beginning in FY 2007. This federally-funded office provides a visible state presence for the Head Start program and facilitates multi-agency partnerships at the federal, state, and local levels. (General Fund-Federal)
3. **Early Child Education Assistance** - Amounts associated with the Early Child Education and Assistance Program (ECEAP) are transferred from the Department of Community, Trade, and Economic Development to DEL beginning in FY 2007. ECEAP is a state-funded comprehensive preschool program for three- and four-year-old low-income children and their families. Children receive early learning services in literacy, language, math, science, health, medical linkages, and social and emotional development. ECEAP offers family support services to encourage parental involvement. The program also provides education to parents in child development, health, and nutrition.
4. **New Agency Operations** - Pursuant to Chapter 265, Laws of 2006 (2SHB 2964), funding is provided for one-time funds to cover program transition and establish a headquarters office for the new department. Of this amount, approximately \$1 million per year is for ongoing costs of staffing and operating the new agency. Additionally, as part of this step, the staffing authorization from the Division of Child Care and Early Learning are transferred from DSHS to DEL.
5. **Child Care Career & Wage Ladder** - Funding is provided for the child care career and wage ladder program established by Chapter 507, Laws of 2005 (Child Care Wage Ladder). The child care career and wage ladder provides funding for participating, licensed child care centers that base wages on education, experience, and training.
6. **Expand Early Reading Initiative** - Funding is provided to expand the early reading initiative. Pursuant to Chapter 120, Laws of 2006 (SHB 2836), the amount will be deposited into the newly-established Reading Achievement Account.

Work Force Training & Education Coordinating Board

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	2,456	54,387	56,843
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	12	12
2. Central Service Agency Charges	5	2	7
3. Private Vocational Schools	52	0	52
4. Opportunity Grants	75	0	75
5. Workforce Training Tax Incentives	67	0	67
6. K-12 Skill Centers	50	0	50
7. Governor Veto	-119	0	-119
Total Policy Changes	130	14	144
2005-07 Revised Appropriations	2,586	54,401	56,987
Fiscal Year 2006 Total	1,225	25,630	26,855
Fiscal Year 2007 Total	1,361	28,771	30,132

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Private Vocational Schools** - Funding is provided to ensure effective implementation of House Bill 2597 (Private Vocational Schools). This bill enhances requirements for licensure as a private vocational school and for qualification to teach or be an administrator of a private vocational school. Additional support to students is also required under the provision of the bill. This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).
4. **Opportunity Grants** - Funding is provided for the Workforce Training and Education Coordinating Board to conduct a study examining barriers to access and completion of workforce education.
5. **Workforce Training Tax Incentives** - Funding is provided to implement Engrossed Substitute House Bill 2565 (Worker Training B&O Tax). This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).
6. **K-12 Skill Centers** - Funding is provided to implement Chapter 118, Laws of 2006 (2SSB 5717), which directs the Board to study skill centers and provide recommendations to the Legislature on increasing opportunities for skill centers to serve students in areas of the state that are not adequately served by a skills center.
7. **Governor Veto** - The Governor vetoed two provisos of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), pertaining to the Board.

Section 611(1) provides \$52,000 for implementation of HB 2597 (Private Vocational Schools). The bill did not pass the Legislature during the 2006 session.

Section 611(3) provides \$67,000 for implementation of ESHB 2565 (Worker Training B&O Tax). The bill did not pass the Legislature during the 2006 session.

Washington State Arts Commission

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	4,671	1,301	5,972
Total Maintenance Changes	0	50	50
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	6	6
2. Central Service Agency Charges	7	0	7
3. Other Fund Adjustments	0	150	150
Total Policy Changes	7	156	163
2005-07 Revised Appropriations	4,678	1,507	6,185
Fiscal Year 2006 Total	2,322	650	2,972
Fiscal Year 2007 Total	2,356	857	3,213

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
3. **Other Fund Adjustments** - The Arts Commission is provided with increased expenditure authority for local and private grants that are received on a regular basis. The increase includes both consistent annual grants and additional grants anticipated during the remainder of the biennium. (General Fund-Private/Local)

Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	6,165	1,898	8,063
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	15	15
2. Classification Revisions	-4	-3	-7
3. Central Service Agency Charges	9	0	9
4. Lewis and Clark Station Camp	491	0	491
Total Policy Changes	496	12	508
2005-07 Revised Appropriations	6,661	1,910	8,571
Fiscal Year 2006 Total	3,407	949	4,356
Fiscal Year 2007 Total	3,254	961	4,215

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)
4. **Lewis and Clark Station Camp** - Funding is provided for increased costs associated with the discovery of Native American remains at the Station Camp Unit in Lewis and Clark National Historic Park.

Eastern Washington State Historical Society

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	3,266	2,813	6,079
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	11	11
2. Classification Revisions	-8	-6	-14
3. Central Service Agency Charges	6	0	6
Total Policy Changes	-2	5	3
2005-07 Revised Appropriations	3,264	2,818	6,082
Fiscal Year 2006 Total	1,633	1,378	3,011
Fiscal Year 2007 Total	1,631	1,440	3,071

Comments:

- 1. Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
- 2. Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules. (various funds)
- 3. Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study. (various funds)

State School for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	10,384	1,335	11,719
Total Maintenance Changes	37	0	37
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	38	38
2. Classification Revisions	-2	0	-2
3. Central Service Agency Charges	15	0	15
Total Policy Changes	13	38	51
2005-07 Revised Appropriations	10,434	1,373	11,807
Fiscal Year 2006 Total	5,149	667	5,816
Fiscal Year 2007 Total	5,285	706	5,991

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules.
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study.

State School for the Deaf

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	17,032	232	17,264
Total Maintenance Changes	91	0	91
Policy Changes			
1. Pension Plan 1 Unfunded Liabilities	0	50	50
2. Classification Revisions	-2	0	-2
3. Central Service Agency Charges	27	0	27
Total Policy Changes	25	50	75
2005-07 Revised Appropriations	17,148	282	17,430
Fiscal Year 2006 Total	8,439	116	8,555
Fiscal Year 2007 Total	8,709	166	8,875

Comments:

1. **Pension Plan 1 Unfunded Liabilities** - Funding is provided to cover the cost of increased employer pension contributions resulting from additional contribution rates established to make payments towards the unfunded accrued actuarial liabilities in Plan 1 of the Public Employees' and Teachers' Retirement Systems (PERS 1 and TRS 1). Contributions that would have been made from the General Fund-State are paid from the newly-established Pension Funding Stabilization Account. (various funds)
2. **Classification Revisions** - Funding is provided to cover changes in the cost of state merit system classifications resulting from implementation of collective bargaining agreements and personnel rules.
3. **Central Service Agency Charges** - Funding is provided to pay increased service charges by the Department of Personnel and the Office of Financial Management (OFM). The service charges reflect increased costs associated with the development of the new Human Resource Management System, improvements to the state's capital budgeting systems, and the completion of OFM's Roadmap Feasibility Study.

Special Appropriations

Special Appropriations to the Governor

A total of \$23.0 million is provided to establish a bioenergy assistance program within the Department of Agriculture to reduce the state's dependence on foreign energy and increase the use of agricultural products as a source of energy to supplement or supplant petroleum-based fuels. Also, one-time funding is provided to develop alternative energy production projects in communities adversely affected by major job reductions in the forest and paper products industry.

A total of \$14 million General Fund-State is deposited in the Washington Housing Trust Account to fund various housing assistance programs including: a portion of the Washington Housing Trust Account backlog of eligible projects; Energy Matchmakers Program; vouchers for low-income persons, including homeless persons and victims of domestic violence, and seasonal farm workers; farm worker housing; persons with developmental disabilities; mobile home preservation; Homeless Families Services Fund; and home buyer assistance.

A total of \$4.0 million is provided from the Economic Development Strategic Reserve Account to implement Chapter 427, Laws of 2005 (2SSB 5370). The Governor, upon recommendation of the Director of the Department of Community, Trade, and Economic Development and the Economic Development Commission, may authorize the use of the funds to recruit businesses, support public infrastructure, and provide technical assistance to prevent business closure or relocation outside the state.

An additional \$0.5 million is provided for distribution to local jurisdictions for the purchase of interoperable communications technology to assist communications across agencies and jurisdictions in case of a disaster.

State Employee Compensation

\$1,000 Minimum Monthly Benefit For Plan 1 Retirees

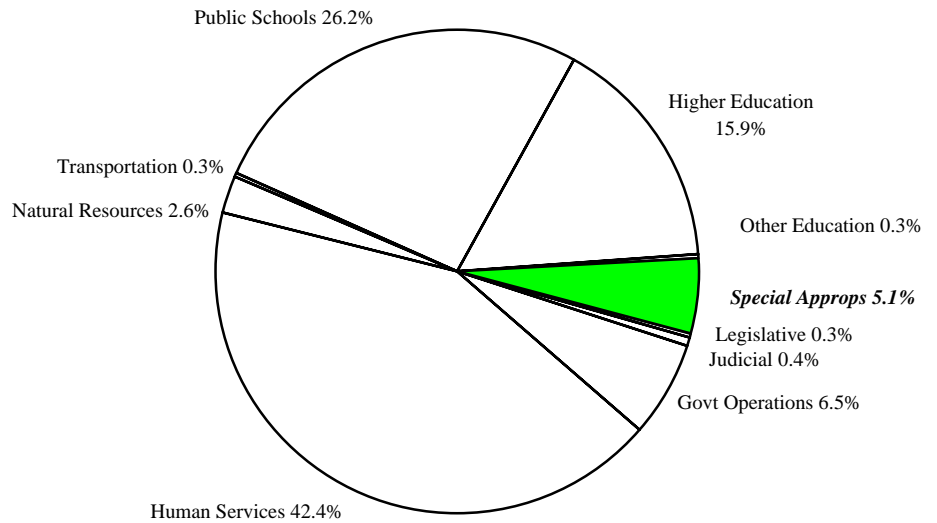
Funding is provided for Chapter 244, Laws of 2006 (SB 6453), which extends eligibility for the alternative minimum benefit in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) to members who have at least 20 years of service and who have been retired for at least 25 years. In addition, an annual increase of 3 percent is added to this \$1,000 minimum benefit.

Pension Contributions

Funding is provided for new employer contributions towards the unfunded accrued actuarial liabilities in PERS Plan 1 and TRS Plan 1. Unfunded liability contributions begin on September 1, 2006, in TRS and the School Employees' Retirement System (SERS), and on January 1, 2007, in PERS and the Public Safety Employees' Retirement System (PSERS). Contribution rates will be 1.77 percent in PERS, 1.29 percent in TRS, 0.87 percent in SERS, and 1.77 percent in PSERS. State employer contributions that would normally be made from the General Fund-State are made from the new Pension Funding Stabilization Account instead. State and local government employer contributions towards the unfunded liabilities will continue to increase through the 2007-09 biennium as part of a three-year phase-in of contribution rates.

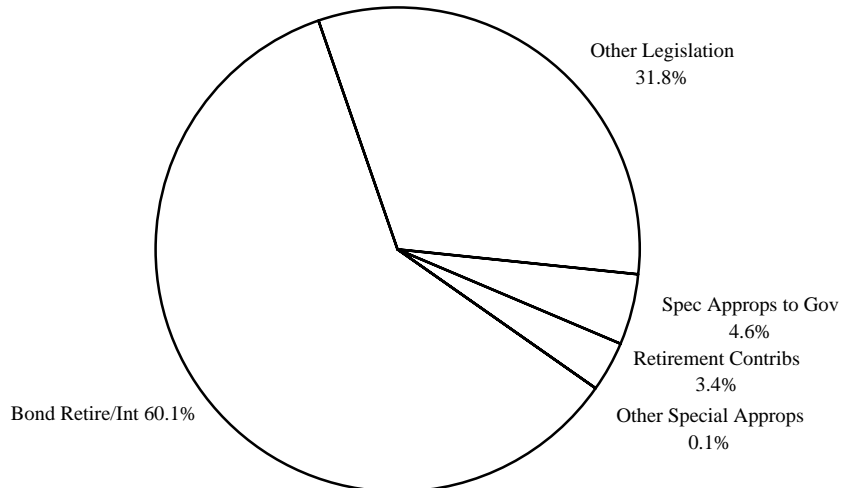
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
Total Budgeted Funds
(Dollars in Thousands)

Legislative	149,275
Judicial	216,066
Governmental Operations	3,348,551
Human Services	21,747,617
Natural Resources	1,340,259
Transportation	148,331
Public Schools	13,440,836
Higher Education	8,162,627
Other Education	139,846
<i>Special Appropriations</i>	<i>2,595,329</i>
Statewide Total	51,288,737



Washington State

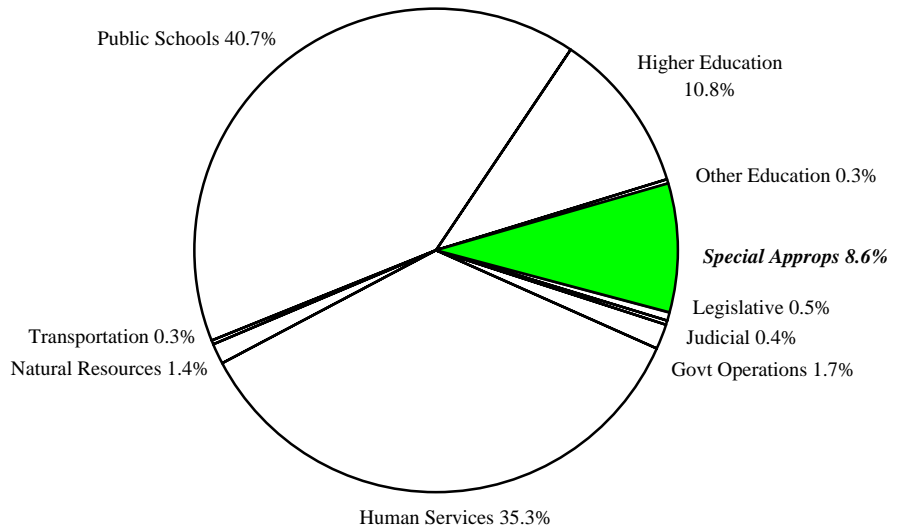
Bond Retire/Int	1,560,203
Other Legislation	825,000
Spec Approps to Gov	120,329
Retirement Contributions	87,840
Other Special Approps	1,957
<i>Special Appropriations</i>	<i>2,595,329</i>



Special Appropriations

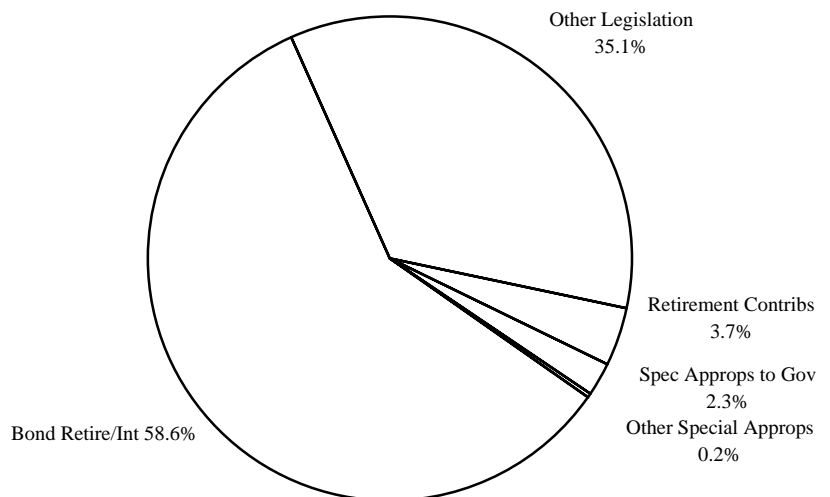
2005-07 Washington State Omnibus Operating Budget
Including 2006 Supplemental
General Fund-State
(Dollars in Thousands)

Legislative	141,772
Judicial	105,942
Governmental Operations	471,118
Human Services	9,648,542
Natural Resources	382,648
Transportation	73,593
Public Schools	11,098,029
Higher Education	2,949,314
Other Education	77,375
<i>Special Appropriations</i>	<i>2,349,573</i>
Statewide Total	27,297,906



Washington State

Bond Retire/Int	1,377,608
Other Legislation	825,000
Retirement Contributions	87,840
Spec Approps to Gov	53,570
Other Special Approps	5,555
<i>Special Appropriations</i>	<i>2,349,573</i>



Special Appropriations

Bond Retirement and Interest

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	1,416,608	184,996	1,601,604
Total Maintenance Changes	-39,000	-2,401	-41,401
2005-07 Revised Appropriations	1,377,608	182,595	1,560,203
Fiscal Year 2006 Total	666,489	91,611	758,100
Fiscal Year 2007 Total	711,119	90,984	802,103

Comments:

There were no policy level changes.

NOTE: Amounts shown here reflect only the omnibus appropriations act. The remainder of the Bond Retirement & Interest's budget is shown in the Transportation Budget Section of this document.

Special Appropriations to the Governor

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	-4,587	55,070	50,483
Total Maintenance Changes	0	-3,000	-3,000
Policy Changes			
1. Fire Contingency	1,600	4,000	5,600
2. Life Sciences Discovery Fund Auth	992	0	992
3. Interoperable Communications	500	0	500
4. SmartBuy	2,798	0	2,798
5. Affordable Housing	14,000	0	14,000
6. Energy Freedom Program	23,000	0	23,000
7. Extraordinary Criminal Justice Cost	54	0	54
8. Community-Based Health Care	1,400	0	1,400
9. Personnel Litigation Settlement	11,813	10,689	22,502
10. Veterans' Innovations Program	2,000	0	2,000
Total Policy Changes	58,157	14,689	72,846
2005-07 Revised Appropriations	53,570	66,759	120,329
Fiscal Year 2006 Total	8,627	28,070	36,697
Fiscal Year 2007 Total	44,943	38,689	83,632

Comments:

1. **Fire Contingency** - The fire contingency pool was created in 1999 to address fire mobilization costs and fire suppression costs in excess of the amounts appropriated directly to agencies. Funds are appropriated from the general fund to the Disaster Response Account to replenish the contingency pool. Additional funds are also provided from the Disaster Response Account for the 2006 fire season. (General Fund-State, Disaster Response Account-State)
2. **Life Sciences Discovery Fund Auth** - The Life Sciences Discovery Fund Authority was created by Chapter 424, Laws of 2005 (E2SSB 5581), to make grants for life sciences research. Additional funds are provided in FY 2007 for start-up costs.
3. **Interoperable Communications** - These funds are allocated based on recommendations from the State Interoperability Executive Committee (SIEC) for the most effective regional deployment of interoperable radio interconnect devices that allow crossband communications. This item includes an FTE for the coordination and management of this equipment.
4. **SmartBuy** - The original 2005-07 budget anticipated \$25 million of General Fund-State savings through the use of strategies being developed by the Department of General Administration, the State Printer, and the Department of Information Services to reduce the cost of goods and services. This item reflects a modification of these savings by exempting the state Community and Technical College System. However, the Governor vetoed the exemption for the Community and Technical College System, but the Governor's veto did not modify the revised level of anticipated savings of \$22.2 million General Fund-State.
5. **Affordable Housing** - Funding is provided for the implementation of Chapter 349, Laws of 2006, Partial Veto (E2SHB 2418 - Affordable Housing).
6. **Energy Freedom Program** - Funding is provided for implementation of the Energy Freedom Program enacted in Chapter 171, Laws of 2006 (E3SHB 2939), which provides financial assistance to political subdivisions, federally-recognized tribes, or state institutions of higher education for projects that convert farm products or waste into electricity or fuel. Funding is also provided for the development of biofuel oilseed crushers, supporting infrastructure, and facilities including a biomass turbine to be installed by the Grays Harbor Public Utility District.
7. **Extraordinary Criminal Justice Cost** - Funding is provided for extraordinary criminal justice costs in Grant County.
8. **Community-Based Health Care** - Funds are appropriated to the Community Health Care Collaborative Account in order to support community-based health care solutions as enacted in Chapter 67, Laws of 2006 (E2SSB 6459).
9. **Personnel Litigation Settlement** - Funding is provided solely for the purposes of the settlement of litigation involving compensation differentials among personnel classes, *W.P.E.A. v. State of Washington*. (General Fund-State, Special Personnel Litigation Revolving Account)
10. **Veterans' Innovations Program** - Funding is provided for Chapter 343, Laws of 2006 (2SHB 2754 - Veterans' Innovations Program).

Sundry Claims

(Dollars in Thousands)

	GF-S	Other	Total
Policy Changes			
1. Self-Defense Claims	52	0	52
2. Deer and Elk Damage Claims	0	102	102
3. Other Sundry Claims	3	0	3
Total Policy Changes	55	102	157
2005-07 Revised Appropriations	55	102	157
Fiscal Year 2006 Total	55	102	157
Fiscal Year 2007 Total	0	0	0

Comments:

1. **Self-Defense Claims** - Pursuant to RCW 9A.16.110, the Office of Risk Management recommends payment for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self defense. This appropriation includes claims received by the Legislature up to February 27, 2006.
2. **Deer and Elk Damage Claims** - Chapter 77.36 RCW directs the state to pay reimbursement for damages to crops caused by deer and elk. This appropriation includes claims received by the Legislature as of February 27, 2006. (State Wildlife Account-State)
3. **Other Sundry Claims** - Payment is made pursuant to RCW 68.60.050 for reinterment of human remains from historic graves.

Contributions to Retirement Systems

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	83,600	0	83,600
Total Maintenance Changes	4,140	0	4,140
Policy Changes			
1. Catastrophic Disability Allowance	100	0	100
2. Survivor Death Benefit	100	0	100
3. Governor Veto	-100	0	-100
Total Policy Changes	100	0	100
2005-07 Revised Appropriations	87,840	0	87,840
Fiscal Year 2006 Total	39,351	0	39,351
Fiscal Year 2007 Total	48,489	0	48,489

Comments:

1. **Catastrophic Disability Allowance** - Funding is provided solely for the increase in state contribution rates to the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System resulting from the creation of a new catastrophic disability benefit, pursuant to Chapter 39, Laws of 2006 (HB 2932).
2. **Survivor Death Benefit** - Funding is provided solely for the increase in state contribution rates to the LEOFF Plan 2 (LEOFF 2) required to fund reimbursements for medical insurance premiums for surviving spouses of LEOFF 2 members who were killed in the line of duty (SHB 2934). This bill was not enacted by the Legislature, and the Governor vetoed this appropriation (see veto item below).
3. **Governor Veto** - The Governor vetoed Section 708(1)(d) of Chapter 372, Laws of 2006, Partial Veto (ESSB 6386), which would have provided funding for the state portion of the increase in contributions to the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) resulting from the reimbursement for medical insurance premium costs for surviving spouses of LEOFF 2 members who were killed in the line of duty, pursuant to SHB 2934, which was not enacted. The benefit increase is not affected because the companion bill to SHB 2934 (SB 6723) was enacted.

State Employee Compensation Adjustments

(Dollars in Thousands)

	GF-S	Other	Total
2005-07 Original Appropriations	4,400	-3,900	500
Policy Changes			
1. Plan 1 Minimum Monthly Benefit	500	200	700
2. Five-Year Vesting in Plans 3	600	0	600
Total Policy Changes	1,100	200	1,300
2005-07 Revised Appropriations	5,500	-3,700	1,800
Fiscal Year 2006 Total	0	0	0
Fiscal Year 2007 Total	5,500	-3,700	1,800

Comments:

1. **Plan 1 Minimum Monthly Benefit** - Funding is provided for additional employer contributions resulting from the addition of a 3 percent per year annual increase to the \$1,000 minimum monthly benefit available in Plan 1 of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS), pursuant to Chapter 244, Laws of 2006 (SB 6453). (General Fund-State, various other funds)
2. **Five-Year Vesting in Plans 3** - Funding is for the increased employer contribution rates resulting from the reduction of the vesting requirement in Plan 3 of PERS, TRS, and the School Employees' Retirement System from 10 years to 5 years for members who have earned 12 months of service credit after age 44, pursuant to Chapter 33, Laws of 2006 (SHB 2684). (Department of Retirement Systems Expense Account-State)

Other Legislation

(Dollars in Thousands)

	GF-S	Other	Total
Policy Changes			
1. State Fiscal Reserves	825,000	0	825,000
Total Policy Changes	825,000	0	825,000
2005-07 Revised Appropriations	825,000	0	825,000
Fiscal Year 2006 Total	825,000	0	825,000
Fiscal Year 2007 Total	0	0	0

Comments:

1. **State Fiscal Reserves** - Chapter 56, Laws of 2006 (ESSB 6896 - State Funding Stabilization), appropriates \$825 million from the state general fund in FY 2006: \$275 million is appropriated to the Student Achievement Fund; \$200 million is appropriated to the Health Services Account; and \$350 million is appropriated to the newly-created Pension Funding Stabilization Account. A portion of the amounts appropriated to these accounts was spent in the 2005-07 biennium (\$49 million in the Pension Funding Stabilization Account and \$57 million in the Health Services Account); the remainder is available for future budgets.

